FBIS DAILY REPORT

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ALFONSIN, SANGUINETTI LEAVE FOR COLOMBIA, MEXICO

PY051255 Buenos Aires TELAM in Spanish 1039 GMT 5 Aug 86

[Text] Buenos Aires, 5 Aug (TELAM) -- Argentine President Raul Alfonin today said that meetings like those of the "Group of Six," which he will attend in Mexico City, are always positive because they bring out arguments against the arms race and make it possible for the people all around the world to get to know the risks that mankind faces and to learn that the arms race must be stopped once and for all.

The Argentine chief executive this morning spoke at Ezeiza International Airport shortly before departing for Mexico with Uruguay President Julio Maria Sanguinetti, who will accompany Alfonsin to his first stopover in Bogota, Colombia. The plane departed Ezeiza at 0707.

Alfonsin also said that in Bogota we will embrace the president (Belisario Betancur) and later hold talks with the president-elect (Virgilio Barco), just as we do with all new presidents in Latin America.

He added that the heads of government of Mexico, Miguel de la Madrid; of Greece, Andreas Papandreou; of Sweden, Ingvar Carlsson; and of India, Rajiv Gandhi; and former President of Tanzania Julius Nyerere; and he will seek to strengthen their joint position, which is in favor of peace and worldwide disarmament and against the threat of nuclear war.

As to the conclusions that the "Group of Six" is expected to reach, Alfonsin said: We have already agreed on practically everything; therefore, we will issue a declaration signed by all of us.

Meanwhile, the Uruguayan president said that after his visit to Colombia with Alfonsin, he will travel to Brazil on an official visit. He added that this visit is part of a new phase of the protocol on the expansion of trade that was reactivated last year. This protocol will undoubtedly represent an important step forward in the quest for integration in which all the Atlantic states are involved.

CAPUTO DISCUSSES WESTERN TRADE POLICY, DETENTE

PY052025 Buenos Aires TELAM in Spanish 1839 GMT 5 Aug 86

[Text] Bogota, 5 Aug (TELAM) -- Foreign Minister Dante Caputo has said that Argentina has been unreasonably punished by the policy of subsidized prices of agricultural products adopted by the developed countries, adding that the Cartagena Consensus should meet to assess the influence of this situation in the region.

Uruguayan Foreign Minister Enrique Iglesias, meanwhile, said that he agrees with Caputo and that he is convinced that the Cartagena Consensus should meet before the end of the year. The two foreign ministers made these remarks in separate talks with reporters who are accompanying the presidential entourage. Caputo is heading the Argentine delegation to the inauguration of the new Colombian president, Virgilio Barco Vargas.

Referring to the meeting of the Group of Six that will open in Mexico tomorrow, the foreign minister stated that it will be held within a propitious setting of clear signs of detente among the great powers.

He stated that the Soviet Union as well as the United States seem to be showing a will for peace. Caputo added that even though we must study the proposal carefully, we cannot help but rejoice in this.

Caputo said that it is significant that this meeting of the Group of Six will be held a few days after the U.S. President made a proposal regarding defense in outer space. It is also important that the Soviet and U.S. Governments have decided that U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze will meet on 19 and 20 September, he said.

Caputo ended by stating that the Group of Six is setting a precedent in international policy, noting that this has great merit because it is very difficult to exert pressure without force. However, we are managing to do so.

U.S. GRAIN MEASURE TO AFFECT DEBT PAYMENT

PY060136 Madrid EFE in Spanish 1943 GMT 5 Aug 86

[By Alberto Francisco Arebalos]

[Text] Buenos Aires, 5 Aug (EFE) -- The U.S. decision to subsidize its grain sales to the Soviet Union and China presupposes a new and serious stumbling block for the payment of Argentina's foreign debt, which totals $50 billion. Argentina's economy minister last night officially announced that Argentina will ask its creditors for better terms for the payment of interest on its foreign debt to compensate for losses of export revenues due to the fall of grain prices.

The measure adopted on 1 August by the United States seriously affects the Argentine economy, 80 percent of which is based on exports of primary products, and it has caused immediate reactions by the Argentine Government and political parties, which have denounced "the disloyal U.S. attitude."

With exports totaling almost $9 billion and imports totaling $5 billion, Argentina is allotting almost $3 billion to the payment of interest on its massive foreign debt, the third largest in Latin America. As a first measure, the government of Raul Alfonsin will lift taxes on wheat exports to compensate for the prices that producers will receive for the grain. This decision means an $18-million loss for the government treasury, just as officials are fervently seeking to alleviate the financial and trade deficits.

In addition to the fall in prices -- Argentine wheat experienced a fall in 1 week from $80 to $70 per ton -- Argentina must also face the loss of markets since it is in no condition to sell subsidized wheat as the United States is doing.

An Argentine Agriculture Secretariat official told EFE today that "furthermore, the United States can finance its sales while Argentina, because of the need for currency, must carry out all its operations in cash, which further contributes to the loss of markets."

It has been noted that the Soviet Union, the main purchaser of Argentine grain in the last few years, bought less than 1 million tons of Argentine wheat in 1986 in comparison with a total of 17.5 million tons of grain it purchased in other parts of the world. The USSR has not complied with an agreement it made to purchase 5 million tons of grain from Argentina because for every 100 tons of wheat it purchases from the United States, it will receive "free" another 20 tons.

On his recent tour of Japan, President Raul Alfonsin was able to get Japan to buy over 3 million tons of grain, but the "new client" only replaces the Soviet Union; it does not mean an order for new grain shipments.

Concern over this matter has increased in Argentina in recent hours because of rumors that the EEC might adopt measures similar to those adopted by the United States so as not to lose clients and that this measure might also extend to other grains.

At any rate, the U.S. position has again shown the structural deficit of the Argentine economy which, only 15 years from the 21st century, continues to depend on the sale of grain and meat, just as it did in the last century.

Suspension Under Consideration

PY052047 Buenos Aires TELAM in Spanish 1841 GMT 5 Aug 86

[Text] Buenos Aires, 5 Aug (TELAM) -- Labor Minister Hugo Barrionuevo admitted here today that some government sectors are analyzing several measures to be adopted in view of the lower influx of currency caused by the subsidized price of U.S. grain. Among the measures is the suspension of some foreign debt payments.

The minister made this statement after a socioeconomic cabinet meeting at the Labor Ministry. The meeting was also attended by the economy, public works, and health ministers.

Deputies Urge Nonpayment

PY052316 Buenos Aires TELAM in Spanish 2251 GMT 5 Aug 86

[Text] Buenos Aires, 5 Aug (TELAM) -- National Deputies Antonio Cafiero and Jose Manzano today urged the National Executive Branch to suspend service payments of the part of the foreign debt that pertains to U.S. banks. The deputies, who belong to the Justicialist Renewal Faction, have submitted a draft resolution to the Chamber of Deputies in which they express their indignation regarding the position that the United States has taken with its international agricultural policy, which has negative effects on Argentina's development possibilities.

GOVERNMENT DENIES SUSPENSION OF CREDITS TO CUBA

PY052209 Buenos Aires TELAM in Spanish 2134 GMT 5 Aug 86

[Text] Buenos Aires, 5 Aug (TELAM) -- The Economy Minister today called inaccurate a report published by several morning newspapers about the suspension by Argentina of all commerical credit lines to Cuba. The ministry noted that, on the contrary, because of Cuba's difficulties meeting its foreign commitments, the two governments are conducting negotiations aimed at rescheduling Cuba's debt and allowing it to make additional use of existing credit lines.

DETAILS GIVEN ON FISHING ACCORD WITH USSR

PY051709 Buenos Aires TELAM in Spanish 0102 GMT 5 Aug 86

[Text] Buenos Aires, 4 Aug (TELAM) -- Agriculture, Livestock, and Fishing Secretary Lucio Reca today announced that the cooperation agreement on fishing which was signed in late July with the Soviet Union and Bulgaria will allow ships flying Soviet and Bulgarian flags access to Argentine waters. The agreement establishes that Argentina will grant port facilities to USSR and Bulgarian ships and facilities that include crew changes, repairs, and the supply of provisions.

Argentina will determine annually -- through the appropriate authorities -- the permitted catches of each species and the total Argentine fleet catch of each species, the authorized catch surplus of each species not fished by the Argentine fleet, the authorized catch surplus of each species, and the total catch that ships flying the USSR and Bulgarian flags will be authorized.

Argentina will also determine the areas in which fishing will be authorized; the size, type, and number of ships; and the number of days which each ship and the entire fleet may operate in a given area.

In turn, Reca stated that the Soviet and Bulgarian fishing fleets will be authorized to fish only within the territorial zone through fishing licenses issued by the appropriate authorities, and that, once they receive that license, they will have to comply with the terms of the agreement signed, the supplementary agreements, the laws and regulations of the Argentine Republic, and the instructions of the appropriate authorities.

CHAMBER OF DEPUTIES SCORES U.S. AID TO CONTRAS

PY012315 Buenos Aires DYN in Spanish 1305 GMT 1 Aug 86

[Excerpts] Buenos Aires, 1 Aug (DYN) -- [passage omitted] At the end of its deliberations, the Chamber of Deputies approved a statement "repudiating" the intervention in territories of Latin American countries "of any foreign power" and expressing "concern" over the U.S. Congress decision to support economic aid of $100 million to the so-called Nicaraguan contras.

The statement, which was supported by deputies of the Radical, Justicialist, Intransigent, Christian Democrat, and the UCD [Democratic Centrist Union] blocks, as well as by the provincial blocs, also supports the negotiations being conducted by the Contadora Group for a peaceful solution of the Central American conflict. [passage omitted]

WALDNER URGES SENATE TO APPROVE SECURITY LAW

PY052257 Buenos Aires CLARIN in Spanish 1 Aug 86 p 7

[Text] During a meeting with legislators called by the Senate committee headed by Radical Civic Union [UCR] Senator Antonio Berhongaray, Brigadier General Teodoro Walnder, chief of the Armed Forces Joint Staff, yesterday stressed to the Senate the "urgent need" to approve the National Defense Bill which is being studied by the Senate.

Twenty-one senators listened to Waldner's impressions of this bill, which has already been approved by the Chamber of Deputies. He referred to the importance that the law will have for the current military structure, which must be regulated by a law like this bill. The Chamber of Deputies approved the bill in August 1985, and the possibility of the Senate making substantial changes in it has been ruled out.

On successive Thursdays, the chiefs of staff of the Navy, Admiral Ramon Arosa; the Air Force, Brigadier General Julio Crespo; and the Army, General Hector Rios Erenu, will report on the bill to the Senate.

In all these reports, special attention will be paid to the role of the Armed Forces in the event of a resurgence of subversion.

Waldner said that in such circumstances, military action would be essential should the security forces be overwhelmed, citing Spanish legislation to support his contention.

On the same issue, Senator Berhongaray emphasized the term "firepower" in the bill, which refers to the capability of an internal enemy. If this "firepower" exceeds that of the security organizations (police, border police, etc), the Armed Forces would intervene. He cited as an example the Nicaraguan contras. Can Commander Ortega fight them with the police alone?" he asked.

Corrientes Senator Ricardo Leconte stated that "this must be regarded very seriously."

He argued that this is the situation "because Argentina has gone through a difficult experience and is living in the world of today, which is experiencing the aggression of international terrorism."

Peronist Horacio Bravo Herrera stated that "the national security doctrine must not be abolished." He is thus opposed to the position of the Renewal Faction in the Chamber of Deputies. Yesterday the leader of the bloc, Humberto Martiarena, asked most of the questions at the meeting held with Waldner in the Pink Hall. Martiarena disagrees with Bravo Herrera's position, just as UCR Senator Ricardo Lafferriere is not absolutely in agreement with Berhongaray's position. UCR Deputy Balbino Zubiri, chairman of the Chamber of Deputies Defense Committee, also disagrees with Berhongaray's position.

Peronist Senator Liliana Gurdulich de Correa agrees that the military cannot be indifferent to interior security. She is a member of the bloc headed by Senator Vicente L. Saadi. The Peronist Renewal Faction has received a petition for a meeting from the Human Rights Permanent Assembly, which is interested in responding to Bravo Herrera's position. It may do so next week.

Senators from the various blocs who seem to be committed to debating the bill by the beginning of September were present at the meeting yesterday. The Chamber of Deputies must also approve it in September before the end of the regular session [as published].

MOSSO REPLACES ROSSI AS DEFENSE SECRETARY

PY052240 Buenos Aires TELAM in Spanish 2159 GMT 5 Aug 86

[Text] Buenos Aires, 5 Aug (TELAM) -- Defense Minister Jose Horacio Jaunarena today accepted the resignation tendered by Defense Secretary Hector Rossi, who had been installed on 6 June. Upon making the announcement, a Defense Ministry spokesman said that National Deputy Alfredo Miguel Mosso (Radical Civic Union, Mendoza Province) will be appointed as new defense secretary.

PUBLIC EMPLOYEES RECEIVE SALARY INCREASES

PY021214 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2110 GMT 1 Aug 86

[Text] Buenos Aires, 1 Aug (NA) -- The government announced today that it has granted a "selective" salary increase to public employees for the July-September quarter. This increase will be 29 percent for those in the lower salary grades, which includes the majority of public employees. Those in the upper grades will receive an increase of between 16.6 and 20 percent. This report was released this afternoon through Decree No 1282.

STUDENTS STAGE DEMONSTRATION OUTSIDE U.S. EMBASSY

PY052359 Paris AFP is Spanish 2346 GMT 5 Aug 86

[Text] La Paz, 5 Aug (AFP) -- Nearly 200 students of the Greater University of San Andres, Bolivia's most important university, today held a meeting at the door of the U.S. Embassy to protest the presence of 170 U.S. soldiers in Bolivian territory. The students shouted slogans against the government of President Victor Paz Estenssoro and rejected what they regard as foreign intervention and the violation of the national sovereignty under the pretext of fighting the drug trade.

The number of policemen charged with guarding the U.S. Embassy was doubled to prevent any act of violence and U.S. officials prevented strangers from entering the embassy offices, located on a downtown street of La Paz.

LETTER TO SEVERAL COUNTRIES ASKS FOR ANTIDRUG AID

PY041629 Paris AFP in Spanish 1352 GMT 3 Jul 86

[Text] In a note signed by Foreign Minister Guillermo Bedregal Gutierrez, Bolivia has asked the international community for cooperation similar to that now being given by the United States, in helping to eradicate drug trafficking, it was officially reported today in La Paz.

The letter is addressed to the Vatican, the FRG, Italy, Spain, Great Britain, the United States, France, Belgium, and to some specialized international organizations.

According to the note, the logistical support now being received from the United States, with the arrival of 170 soldiers, 6 helicopters, and communication equipment, is only the beginning of a responsible and permanent policy against drug trafficking. Unfortunately, the letter says, economic and technical limitations make it necessary for such help, in donations, equipment, training of specialized personnel, soft credits or supply of materials, be granted by other developed countries.

The news of the foreign minister's letter was released just when there are growing protests over the presence of U.S. troops in Bolivia without congressional authorization. It was recalled that 48 hours ago, the Council for the Defense of National Sovereignty was constituted to demand the immediate withdrawal of the U.S. soldiers. This council comprises 30 labor organizations from all over the country, 25 political parties, 30 peasant, womens, civic and university institutions, and some 300 individuals.

DIPLOMATIC RELATIONS ESTABLISHED WITH KUWAIT

PY051702 La Paz EL DIARIO in Spanish 29 Jul 86 p 3

[Communique issued by the Foreign Ministry on 28 July]

[Text] With the goal of strengthening the friendly ties and cooperation between the Republic of Bolivia and the State of Kuwait and their peoples, the Governments of the Republic of Bolivia and the State of Kuwait, pursuing the high principles of relations between nations and peoples and in accordance with their mutual interests, have agreed to establish diplomatic relations between the two countries at the ambassadorial level in accordance with the UN Charter and international law.

The Governments of the Republic of Bolivia and the State of Kuwait have decided to establish diplomatic relations beginning 28 July 1986.

[Signed] Ambassador Mohammed A. Abulhasan, representative of the State of Kuwait

Ambassador Jorge Gumucio Granier, representative of the Government of the Republic of Bolivia.

New York, 28 July 1986

MINEWORKERS SUSPEND STRIKE UNTIL 12 AUGUST

PY051919 Madrid EFE in Spanish 0224 GMT 5 Aug 86

[Text] La Paz, 4 Aug (EFE) -- A national mineworkers strike that began on 30 July has been suspended until 12 August by decision of the mineworkers union because the government has partially met the miners' demands. The indefinite mineworkers strike, which last week was extended nationwide, was decreed in demand of a salary increase, the supply of food, the provision of equipment and tools, and the supply of medicines. With this measure, the mineworkers want the authorities to define clearly the future of the State Mining Corporation of Bolivia [Comibol], which is currently experiencing critical financial difficulties, and all the mining sectors that depend on it.

Simon Reyes, leader of the Trade Union Federation of Bolivian Mineworkers [FSTMB], has stated that the strike has been temporarily suspended in view of the government's commitment to solve the salary conflict "as soon as possible and in the best manner possible."

Mining and Metallurgy Minister Jaime Villalobos has sent a note to the FSTMB announcing the immediate dispatch of supplies to the mines and an increase in salaries.

Reyes Rivera stated, however, that the note makes no reference to the request for restructuring Comibol in the districts of Oruro and Potosi, the biggest mining centers.

For this reason, he stated, the strike has been "suspended" until 12 August, with the threat of resuming it if the executive branch does not pay attention to Comibol.

BRIEFS

PERUVIAN ENVOY PRESENTS CREDENTIALS -- Peruvian Ambassador to Bolivia Alfonso Rivero Monsalve on 8 July presented his credentials to President Victor Paz Estenssoro. [Text] [La Paz PRESENCIA in Spanish 9 Jul 86 p 9 PY]

SARNEY TO MEET SANGUINETTI IN MARANHAO 8 AUGUST

PY041648 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Jul 86 p 7

[Text] Brasilia -- The Planalto Palace yesterday began preparations for a meeting between Brazilian President Jose Sarney and Uruguayan President Julio Sanguinetti in Sao Luis do Maranhao on 8 August. Sarney will meet the Uruguayan president at 1500 at Tirirical airport. Sanguinetti will spend the night there and, after a luncheon on 9 August, travel to Salvador, in Bahia State.

Sarney will take advantage of his visit to Maranhao to participate in the local political campaign. Since he last visited Maranhao in June, Sarney has participated in a rally and introduced PMDB [Brazilian Democratic Movement Party] Deputy Epitacio Cafeteira as his candidate for governor. This time, the president will be supporting PFL [Liberal Front Party] Deputy Joao Alberto, the candidate for vice governor on Cafeteirs's ticket. Sarney will go to Teresina, Piaui State, on the afternoon of 9 August. From Teresina, Sarney will travel 70 km by bus to Caxias, Maranhao State, where Alberto's constituent stronghold is located. A big rally is being prepared. The president's arrival time has yet to be confirmed by Planalto Palace.

FUNARO, ARGENTINE MINISTER DISCUSS FOREIGN DEBT

PY051639 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Jul 86 p 7

[Excerpt] Buenos Aires -- Brazilian Finance Minister Dilson Funaro and Argentine Economy Minister Juan Sourrouille yesterday held a secret meeting and, according to a government source, discussed details of mutual interest concerning the foreign debt issue. The two ministers have been discussing this matter for a few months. So far, they have agreed on the negotiations they are conducting with the foreign creditors, although both believe that the Cartagena Consensus is the most appropriate political forum for a comprehensive discussion of their foreign debts.

In the Brazilian and Argentine cases, there is a firm belief that neither of the two economies should suffer a recession because they continue honoring their debt commitments. Likewise, there is an understanding that Brazil now has more leeway concerning the trade balance, something which permits Brazil to make up-to-date payments on the interest and the principal. This is not yet the case, however, with Argentina. Insofar as there was agreement on economic coordination of the economic programs, the next step of the Brazilian and Argentine Governments concerning this point will be to hold discussions to demonstrate to the IMF -- in the Argentine case -- and the creditors -- in the Brazilian case -- what funds they are able to allocate to paying the debts.

In an exclusive interview with O ESTADO DE SAO PAULO, Argentine Economy Minister Juan Sourrouille did not rule out the possibility of creating a new group of countries that will operate the same way as the Group of Seven is operating. He noted, however, that "for the time being we are just two."

In the opinion of the Argentine minister, the "foreign debt is a brake on the development potential of the two countries. The decision to make bilateral adjustments on the economic programs is a milestone. The two countries believe that the service payments to the debt represent an insupportable burden."

Sourrouille reasserted that the government assigns top priority to economic growth, but that the unfavorable conditions of the balance of payments compel Argentina to take special steps to service the foreign debt. [passage omitted]

DETAILS OF GOVERNMENT 'PLAN OF GOALS'

PY011850 Rio de Janeiro O GLOBO in Portuguese 24 Jul 86 p 28

[Text] Brasilia -- The Plan of Goals foresees a total investment of 1,392 trillion cruzados up to the year 1989. About 37 percent of the funds needed to implement the plan will be provided yearly by the National Development Fund. Under the Plan of Goals, the government intends to invest, in a joint effort with the private sector in infrastructure projects and in the social area, raising the percentage of investments in the country from the present 17.6 percent of the gross national product (GNP) to 21 percent in the next 3 years.

The Plan of Goals, using half of its funds (695.2 billion cruzados) in the social area, hopes to achieve the following objectives, among others, by 1989: the eradication of illiteracy; the creation of 1.65 million jobs per year; the eradication of poliomyelitis and rabies; the installation of 4.6 million telephones in urban areas; and guaranteed food production of 71.6 million tons. The plan also makes the following proposals:

Social Area -- The programs of supplementary nourishment should assist 15.9 million pregnant women, wetnurses, and children. It is the beginning of the investment in the country's future labor force, followed by the National Program of Milk Distribution for Needy Children (10 million children up to 6 years old with a liter of milk for each one), and the National Program of School Nourishment, which will help pupils from 7 to 14 and their brothers and sisters of 4 to 6, totaling 34 million children.

In order to eradicate illiteracy, the government intends to offer public education to all children from 7 to 14 years of age, involving 25.4 million children. Housing conditions need to be improved and, with that purpose in mind, the government intends to expand the National Housing Plan, giving priority to the low-income population with the construction of 1.7 million low-cost houses.

These measures have to be complemented by creating jobs in order to later overcome the present stage of social welfare policy, as defined by Planning Minister Joao Sayad. With the investments in the economy, the government intends to create 6.6 million new jobs from 1986 to 1989. This should generate enough work to assimilate 5.6 million new workers in the job market, as well as 1 million people who now are unemployed. The investments for the next 3 years in the social area should reach 695.2 billion cruzados.

The Economy -- One of the main problems that surfaced after the price freeze, which resulted in the improvement of the purchasing power of the population, was an immediate increase in consumption not accompanied by growth in the supply of goods and services.

To correct this distortion, the government wants to expand the capacity of sectors that produce essential consumer goods at a minimum rate of 6 percent a year, meeting the normal demand and that generated by the social programs.

One of the bottlenecks on the road to industrial growth is the low production of the metallurgic industry. The plan considers the necessity to expand annual steel production capacity from the present 13.2 million tons to 17.3 tons in 1989. In addition to the adequate supply of steel plate to the domestic market, the expanded capacity will mean the continued participation of the country in the international market and the generation of an annual flow of $1.5 billion.

The present state of agriculture is also not adequate to satisfy the growing demand for food, as determined by the higher buying power and by the access to the market, through the social programs, of formerly marginal individuals. For the government to be able to implement these social programs and rid itself of the need for food imports, it will be necessary for Brazilian agriculture to be able to produce by 1989 a minimum of 71.6 million tons of grain.

To reach that goal, the offer of credit for new investments will have to grow from the 1984 figure of 4 percent of agricultural production and the 8 percent of this year until it reaches 15 percent of agricultural production by 1989. Besides the easier credits, the adopted policy of establishing minimum prices for agricultural products aims to guarantee income stability for the producers, by which it will be possible to collect again strategic stocks of food and increase productivity.

All measures to assist the agricultural sector, including the increase of 27 percent in storage capacity, will have to be accompanied by the improvement and opening of roads and the remodelling of rail and port facilities. The government will have to invest 638.2 billion cruzados in the infrastructure of the productive sector.

Infrastructures -- In order to maintain the proposed 7-percent annual growth, the government will need to restructure the public sector, in which it intends to invest 59,2 billion cruzados. The first service to be dealt with will be electricity, increasing the generating capacity by 32.5 percent, and extending the transmission network with the addition of 6.382 million km of new lines.

The docking capacity of ports also will have to be increased by 22.5 percent, and the cargo capacity of the railway system by 28 percent. Access to the telecommunication system also needs to be extended to a broader stratum of society. The improvement of this service will be obtained by increasing the number of existing rural telephones by 65 percent and urban telephones by 40 percent.

During this period the government also wants the Ferro-Carajas project to reach full capacity, with the production of 35 million tons a year totally menat for exports, and to increase gold production from 8.3 tons a year to 42 tons a year in 1989.

WORKERS ORGANIZATION RECEIVED FOREIGN MONEY

PY051908 Sao Paulo FOLHA DE SAO PAULO in Portuguese 3 Aug 86 p 1

[Text] The Federal Police have seized a cash book that was kept by Maria Tereza Aguiar Notari, a Sole Central Organization of Workers (CUT) employee.

The cash book registerers, from June to November 1983, five receipts of money from abroad, totaling 66,453,102.35 cruzeiros (the equivalent of 1.37 million cruzados now), which has been used to finance trade union activities in Brazil, among them 14 "workers meetings" in several states. The cash book was seized on 22 April at Aguiar Notari's apartment in the Liberdade district (in downtown Sao Paulo). The Federal Police traced Aguiar Notari after they established a connection between the holdup perpetrated in April by PCBR (Brazilian Revolutionary Communist Party) members of a Bank of Brazil branch in Salvador (Bahia State) and the clandestine activities of former Air Force Sergeant Antonio Prestes de Paula. Aguiar Notari, who is now in Rio de Janeiro participating in a CUT meeting, appears on the Federal Police records as Prestes de Paula's concubine.

The cash book entries show that from 6 June 1983 (the date the account was opened) to 30 November 1983 (the date the last expense was posted), six foreign institutions furnished or served as a channel for sending money to Brazil. They are: the "St. Interk Coordinate"; the "Int'D Conf. of Free Herbys Potageres"; the "Comm. Ortwikkellings" (which the authorities believe is Dutch); and the well-known "Lloyd's Bank Int. Limited" (English). FOLHA DE SAO PAULO has investigated the institutions recorded by Aguiar Notari and, with the exception of the "Lloyd's Bank," they are unknown to the military intelligence services that keep up with the arrival of foreign capital for Brazilian political parties, clandestine organizations, and trade union organizations. Yesterday in Rio de Janeiro, CUT President Jair Meneguelli did not wish to comment on the problem, while Aguiar Notari said that she will only speak if authorized by the CUT.

GOVERNMENT SEEKS JOINT ANTIDRUG EFFORTS

PY311625 Madrid EFE in Spanish 2119 GMT 30 Jul 86

[By Adalid Cabrera Lemuz]

[Excerpt] Brasilia, 30 Jul (EFE) -- Federal Police Director General Romeu Tuma today confirmed that Brazil will ask Bolivia and Paraguay to sign a joint accord to fight international drug gangs along their borders. Tuma explained that the objective of the accord, which will be negotiated by the Brazilian Foreign Ministry, will be to strengthen antidrug actions, to make them more efficient, and to prevent Brazil from becoming an alternative drug trafficking base. Tuma who observed the Brazilian-Bolivian border over the weekend, termed positive the operations that Bolivian and U.S. military troops are jointly conducting against cocaine traffickers in Bolivian territory. [passage omitted]

POLICE INVESTIGATE 'CLANDESTINE' ROADS

PY301945 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 30 Jul 86

[Text] The Federal Police are investigating the alleged existence of supply depots for Bolivian drug trafficking in Brazilian territory. The police are also investigating charges made in Rondonia about the operation of new gangs in areas bordering Bolivia. These gangs work with stolen cars and in drug trafficking. The Federal Police have also reported that there are signs indicating that clandestine roads might have been constructed in Bolivia to facilitate the trafficking of cars stolen in Brazil.

GOVERNMENT REJECTS CHARGES AGAINST SENATOR HELMS

PY062344 Santiago Radio Chilena in Spanish 2300 GMT 5 Aug 86

[Passages within quotation marks recorded]

[Text] The Chilean Government rejects all charges that have been made against U.S. Senator Jesse Helms about the alleged passing of U.S. secret information to Chile. This is what Francisco Javier Cuadra, the minister secretary general of government, said today after a regular session of the Government Junta.

The secretary general of government said that at no time were these issues discussed in the few contacts that the U.S. senator had with Chilean authorities.

[Cuadra] "Everyone has some notion of the sort of operations that are carried out by the so-called CIA, and this is not the first time we have heard that this kind of operation is being carried out outside the United Staes. Therefore, we are not surprised by this. But we reject all charges that have been raised against Senator Jesse Helms because at no time were these issues discussed in the few contacts he held with Chilean authorities, despite reports by some ill-intentioned members of the U.S. media."

Asked about the comment by Carabineros Commander Rodolfo Stange regarding a dialogue with representatives of different opinion groups, Cuadra said he agreed with Stange.

[Cuadra] "Since 11 September 1973, the Armed Forces government has always called upon all national sectors of goodwill to cooperate with the authorities and to look beyond present issues because this is the duty of everyone who is interested in serving the people through the approval of those measures that must regulate the national social, political, and economic coexistence. From this point of view, all the efforts made by the authorities aim to achieve an understanding among all persons who make up the Chilean nation."

Francisco Cuadra also agreed with Gen Stange regarding a possible amendment of the 1980 Constitution.

[Cuadra] "I would say that in theory all laws, not just constitutional laws, are subject to amendments. In practice, constitutional amendments are generally effective only if they respond to certain political, economic, and social requirements within the framework of the respective political processes. Let us note, for instance, that one of the most important constitutional amendments to the 1925 Constitution was the so-called statute of guarantees, which was requested by the Christian Democratic party and the Popular Unity Party [UP]. We realize that, although it was very important at the time, it did not fulfill any real function because the UP did not respect it."

Regarding the two attacks against Osorno Bishop Miguel Cavieres, Cuadra said that these actions must be categorically repudiated because they violate human rights.

[Cuadra] "All terrorist attacks must be repudiated because they represent an ideological position based on violence as a political method. The Chilean Constitution, which is the basis of institutionality, establishes that terrorism is categorically opposed to human rights. On this basis the government rejects all these actions, no matter who is affected, no matter his post, his duty, or his function within society, because the essential thing is that a human being is affected by these incidents.

"Moreover, the government appeals to all citizens to truly reject terrorist actions by going beyond words and acting against the true causes of violence, that is, against those persons and groups that adopt violence as a social ideal, as a method of political action that is rejected from any point of view, and fundamentally from a moral point of view."

During its meeting, the Government Junta approved four draft bills, one of which calls for the establishemnt of ministerial secretaries at the regional level.

Garcia Discusses Charges

PY052354 Santiago Radio Chilena in Spanish 1700 GMT 5 Aug 86

[Text] Interior Minister Ricardo Garcia, referring to rumors that Republican Senator Jesse Helms has allegedly supplied Chilean authorities with secret U.S. information, said that every country has a right to make the remarks it desires, no matter how absurd they may be, but I think that the United States should reconsider what it says.

The minister went to the Diego Portales Building, where he attended the opening of the first national meeting of kindergarten teachers. On this occasion he referred to terrorist attacks during the past few days.

[Begin recording] [Garcia] The entire citizenry shares the feeling of disgust and sadness over the fact that there are people in Chile capable of these crimes that affect innocent people who happened to be near the terrorists' bombs. They [word indistinct] sadness and disgust.

[Reporter] Is there any chance that the government will strengthen security measures in the country and in the capital because of these attacks?

[Garcia] No. As I have said before, circumstances are constantly evaluated and the government adopts the measures necessary according to each case. [end recording]

Minister Garcia was also asked about rumors that a U.S. Senate committee has demanded an investigation to determine whether Senator Jesse Helms warned the Chilean Government about an intelligence operation being carried out by the United States.

[Begin recording] [Reporter] What do you have to say about the charges against Senator Helms for allegedly having spied for Chile?

[Garcia] I believe that each country is entitled to make the remarks it desires. I believe that the United States should reconsider what it is saying. We do not interfere in the domestic affairs of other countries. [end recording]

It was learned that the investigation of this case was turned over to the FBI. Republican Senator Jesse Helms of North Carolina visited Chile recently. During his stay in our country he criticized U.S. Ambassador Harry Barnes, especially the fact that Barnes attended the funeral of Rodrigo Rojas.

DEL VALLE EXPRESSES INTEREST IN JOINING NEW GROUP

PY051917 Madrid EFE in Spanish 0121 GMT 5 Aug 86

[Text] Santiago, 4 Aug (EFE) -- Chilean Foreign Minister Jaime del Valle today described as "extremely interesting" the possibility that his country may join the integration agreements recently signed between Brazil and Argentina.

Del Valle said this in reply to remarks by Brazilian business leader Ruy Barreto, who praised the Brazilian-Argentine policy of integration and added that after Uruguay, "Chile must be the next country to join this initiative."

Barreto, who presides over the Brazilian Foundation for Foreign Trade Studies, added that the agreement signed in Buenos Aires between Presidents Sarney and Alfonsin must be considered an important step toward the creation of a Latin American common market.

Interviewed just before leaving for Bogota to attend the inauguration of the new Colombian president, Del Valle said that he finds the possibility presented by Barreto "extremely interesting."

He added: "We are in favor of integration, provided the framework of that integration is equally convenient and advantageous for all countries."

OSORNO BISHOP SUSPECTS SECOND ATTEMPT

PY052338 Madrid EFE in Spanish 1529 GMT 5 Aug 86

[Text] Santiago, Chile 5 Aug (EFE) -- According to Osorno Bishop Miguel Caviedes he has been the victim of two attacks in recent days. In addition to the shot that was fired at his house on the evening of 2 August, which passed centimeters away from where he was sitting, his car was intentionally damaged the following day when he was visiting a town in his diocese, 800 km south of Santiago.

To investigate the first attack the courts have appointed a special judge who requested the advice of ballistic experts, who were able to determine where the shot was fired. They also found a Colt 45 revolver shell casing. During the investigations of the first attack, the bishop was the victim of the second attack, which occurred when he was driving his car back to Osorno from the town of Rio Negro. The car caught fire.

According to a local mechanic, one of the hoses of the car's engine was cut with a sharp tool. As a result of this, fuel leaked onto the electrical system. During his pastoral visit to Rio Negro the bishop left his car parked for over 2 hours.

ANALISIS MAGAZINE SEEKS READERS' SUPPORT

PY060141 Santiago Radio Chilena in Spanish 1700 GMT 5 Aug 86

[Excerpt] In view of economic damage caused by the suspension of three of its issues, ANALISIS magazine will carry out several activities to try to obtain a tangible expression of solidarity from its readers. During a press conference journalist Maria Olivia Monckeberg read a public statement on the subject, which also notes the arrest of ANALISIS director Juan Pablo Cardenas. [passage omitted]

AZCONA ON DELIMITATION TREATY, POTENTIAL FRICTION

PA051423 San Pedro Sula TIEMPO in Spanish 4 Aug 86 p 3

[Text] Minutes after he signed the maritime delimitation treaty with Colombia on San Andres Island, Honduran President Jose Azcona Hoyo said: "The delimitation of borders between two states constitutes a potential source of frictions or disputes."

This is the text of President Azcona's speech on 2 August:

Mr President: First of all, I want to express my great satisfaction for being on this piece of Colombian soil, enjoying your country's traditional hospitality, warm friendship, and democratic identification.

Since our two nations became independent, their peoples and governments have been aware that they shared borders on this Caribbean Sea. Over the years, the sense of proximity has been expressed in various forms of positive cooperation, either by sharing certain maritime areas for fishing activities by citizens of the two countries or exchanging experiences between their respective naval forces.

Nevertheless, history shows and international law acknowledges that the delimitation of borders between two states is a potential source of friction or disputes even between those countries that, like Honduras and Colombia, happily keep the friendliest of relations.

The maritime delimitation treaty that we, the presidents of Colombia and Honduras, have signed today constitutes another landmark in this old friendship, because this treaty puts a peaceful and civilized end to a controversial situation regarding the delimitation of maritime borders.

We have concluded this treaty via negotiations, a procedure described as the golden rule of diplomacy, because solutions have been agreed upon, not imposed. This guarantees that the situation has been fully accepted by the two sides, because the interest of each has been equitably taken into consideration.

I always believed that internationally delimited borders, whether terrestrial or maritime, must constitute links of unity, not dividing lines. Now that the jurisdictions of Colombia and Honduras have been legally set in the Caribbean Sea, new agreements for zones of common exploitation, protection of marine species, vigilance against drug trafficking, and protection of the democratic system that our peoples have chosen freely can be negotiated.

Regarding fishing activities, in which our two countries are developing an efficient industry, perspectives for effective cooperation also appear very promising, considering in particular that the Serranilla Cay area has been a traditional fishing ground for Hondurans whose efforts and devotion must be duly preserved and encouraged.

I feel that this treaty is a very important step in the relations between our two countries and an undeniable example of the solidarity that will serve as the basis for what we expect to be permanent and democratic peace in the Caribbean.

I also feel that this act becomes more important because it has occurred on the day before you, Mr President, will hand over command to your legitimate successor.

Finally, I want to express my admiration and deep sympathy for your having concluded your constitutional term guaranteeing free and honest elections in which the Colombian people expressed their will. In the convulsed world in which we live, this is the best proof of a deep democratic conviction that the Honduran people and government share with our hearts.

I am sure that on 7 August, with the same and justified citizen's pride, you will also be able to say the most beautiful words that a president can utter: I have done my duty.

ALFONSIN, SANGUINETTI ARRIVE FOR INAUGURATION

PA052254 Bogota Television Service in Spanish 1730 GMT 5 Aug 86

[Text] Argentine President Raul Alfonsin has met with Colombian President-elect Virgilio Barco Vargas at the latter's residence. Alfonsin arrived at the Catam Military Airport this morning accompanied by Uruguayan President Julio Maria Sanguinetti. Mari Villalobos reports their arrival.

[Begin recording] [Villalobos] Scarcely 50 hours before the presidential inauguration, Presidents Raul Alfonsin and Julio Maria Sanguinetti arrived in Colombia as special guests to the president-elect's inauguration. President Alfonsin is meeting now with President-elect Barco. This afternoon he will meet with President Betancur to discuss the general situation on the continent. The main topics on their agenda are the Contadora Group's peace efforts and the results of the Cartagena Consensus. Here are Alfonsin's comments concerning the Support Group's future:

[Alfonsin] Unfortunately, there has been a retrogression, but I still feel that we should not become less enthusiastic about the actions that we must carry out in order to find solutions. Of course, President Betancur has set the example in this task.

[Villalobos] The Argentine president also said that in order to solve the difficult problem of Latin America's foreign debt, our countries should struggle for a new international economic order. Uruguayan President Julio Maria Sanguinetti spoke of the problems shared by the nations in the southern part of the continent.

[Sanguinetti] We all share the phenomena of protectionism by the industrialized countries, foreign debt, and the consequences of drug trafficking. Fortunately for us, we do not share the phenomenon of terrorism. [end recording]

The two visiting presidents are now having lunch at the Narino Palace with President Betancur and President-elect Barco.

RAMIREZ OCAMPO ON GOVERNMENT'S FOREIGN POLICY

PA051737 Bogota Television Service in Spanish 0000 GMT 5 Aug 86

[Text] Here in Colombia, Foreign Minister Augusto Ramirez Ocampo has spoken to newsmen from "24 Hours" [name of newscast] about President Betancur's government's foreign policy.

[Begin recording] [Reporter] The first decision made by Betancur's government in the area of foreign affairs was the integration of Colombia into the Nonaligned Movement.

This group, formed by 121 nations, appears in political matters to act independently of the United States and the Soviet Union.

[Ramirez] Our membership in the Nonaligned Movement is fully justified, because we believe that Colombia should not follow the policy of joining blocs; we think that Colombia needs to get into the world and needs to work harder with the developing world.

[Reporter] After that, the Contadora Group was formed. Colombia, Mexico, Venezuela, and Panama became interested in a peace project for Central America. With the exception of El Salvador and Guatemala, Colombia has borders with the rest of the Central American nations.

[Ramirez] In these 4 years, we indeed prevented the conflict from exploding with all the violence that exists in each of those countries. It is true that the peace document has not been signed yet. The signing of the document is still up in the air. Really, as you point out, the signing of the document has been disturbed by certain actions of the various countries. The thing we cannot do is replace the will of the countries. They are the ones that have to decide on their destinies, without pressure, and I want to be very clear on that.

[Reporter] To what extent did the United States interfere with that measure to put out the fire in Central America? Second, you are referring to a very well made document. Is it equal to having a check for $1 million without the issuer's signature?

[Ramirez] It is a check with enough funds. You can draw against it. Another thing is that, indeed, it has not been signed yet. The important part is that we found a Latin American solution to the crisis. It is now up to the will of the five countries to join that solution or not.

I would not like to point out those countries which have not fulfilled their compromises by name. Generally, it is understood that people speak only of the U.S. support for the contras. However, we are also talking about the support given to the subversive force in El Salvador, for them to try to overthrow a government legally established. Thus, in that regard, we have to be clear, because regarding the peace agreement, interference has come from the two sides.

[Reporter] During Betancur's government, Colombia expanded its maritime territory by 1 million sq km. However, it did not make any progress in the delimination of marine and submarine areas with Venezuela. The limits with Jamaica and Nicaragua are still pending as well.

[Ramirez] We have had talks with Venezuelan authorities in order to establish a modus operandi for the negotiations, for them to be completed sometime. It is impossible to maintain endless negotiations.

[Reporter] If negotiations cannot be indefinite, how could they be limited in time, and when?

[Ramirez] That is precisely what we have been negotiating. A mutual agreement should find a way to replace direct negotiations in case they are not completed within a definite period of time. [end recording]

GEN SAMUDIO TO BECOME NEW DEFENSE MINISTER

PA060328 Bogota Television Service in Spanish 0000 GMT 6 Aug 86

[Text] General Rafael Samudio Molina will be the new defense minister. The generals of the republic have agreed with the new government on his selection. Four generals, then, will retire.

Current Defense Minister Miguel Vega Uribe, Air Force Commander Augusto Moreno, Navy Commander Admiral Tito Garcia Metta, and Police Commander General Victor Delgado Mallarino will retire. Contacts are being made within the Armed Forces to appoint commanders of the Navy, Air Force, Army, and the police.

ARMED INDIVIDUALS BUY ENTIRE NEWS EDITIONS

PA060052 Bogota EL TIEMPO in Spanish 2 Aug 86 pp 1-a, 2-a

[Text] EL TIEMPO and EL ESPECTADOR did not circulate in Cali Friday because unidentified individuals armed with machine guns purchased thousands of copies sent there by the two newspapers. The same thing occured to EL ESPECTADOR on Thursday. At 0230, Friday, armed individuals in four jeeps arrived at the EL TIEMPO bureau in Cali and saying they wanted to buy all the copies sent by airplane from Bogota. "We have orders to purchase all of them," they said. One of the drivers who brought the packages of newspapers from the Cali airport to the bureau said that he sold a newspaper to some men. He said they glanced at it and said: "That is it." They then headed toward the city in a jeep.

The EL TIEMPO employees told the armed individuals that they could not sell them the entire edition because company policy is to sell the newspapers in the streets and to the subscribers. In view of this, the unidentified individuals waited until the newsboys went out to the streets and paid them 100 to 200 pesos for each newspaper without any explanation.

Something similar occurred to EL ESPECTADOR on Thursday and Friday. Unidentified individuals purchased the entire edition of 31 July and tried to pay in advance for the 1 August edition. Friday's operation took place simultaneously at the offices of both newspapers. In Friday's issues, the two newspapers carried reports on the assassination of Judge Hernando Baquero Borda and a translation of the book, "The Underground Empire," which makes disclosures about cocaine traffic in the United States and mentions the names of the main Colombian drug traffickers. They also carried sports, cultural, and economic news. EL ESPECTADOR published the first reports on the book Thursday, with photographs of Jose Santacruz Londono, Gilberto Rodriguez Orejuela, and Santiago Ocampo, citizens of Cali whom the author of the book considers to be the main Colombian drug traffickers. The authorities have not issued any official statement on what took place in Cali. They only expressed surprise about not finding the newspapers on their desks. Meanwhile in Bogota, the newspapers received many calls from Cali readers complaining about the lack of newspapers. A spokesman for EL ESPECTADOR said that "the same thing occurred in Medellin some time ago when we published reports involving Pablo Escobar Gaviria with drug trafficking." It is the first time that thousands of newspaper copies have been purchased in Cali for more than the established prices.

SEVERAL HUNDRED DEAD IN GUERRILLA INTERNAL PURGE

PA060022 Bogota Television Service in Spanish 0100 GMT 3 Aug 86

[All numbers as heard]

[Excerpt] In all the sad history of the violence in Colombia, there is no more macabre and bloodcurdling case than that of the murders in Tacueyo. After exclusive investigations at the site by this newscast's special correspondents, we can provide information that makes this black chapter in the contemporary history of the country even more bloodcurdling. Here is a report by Raul Benoit:

[Begin recording] [Benoit] With the discovery of new common graves in the mountainous region of northern Cuaca, interest in the slaughter of Tacueyo has been renewed. According to official reports, 264 bodies were found in these common graves. Fifteen days ago, peasants of the higher areas of Toribillo, between Loma Redonda and San Francisco, discovered 8 graves with 70 more bodies, victims of the internal purge in the Ricardo Franco Front, a dissident group of the FARC.

This genocide was begun shortly before Christmas by leader Javier Delgado, who said that he had discovered among his ranks a large number of infiltrators from the Colombian military intelligence. In a clandestine book that is circulating among the news media, Delgado said that he only executed 167.

[Cauca Attorney General Leonor Amezquita] Well, initially we reported 196 bodies but we have to add the latest discovery of 70 bodies.

[Benoit] But could it be that graves which were previously opened are being reopened?

[Amezquita] No, that is not possible, because the Attorney General's Office, the Medical-Legal Office, and the Public Order Office have been very careful about marking the graves.

[Benoit] The versions of the relatives are diverse, Some say that they were unaware of the fate of their brothers or sons and that they only learned of their deaths from the press reports. [end recording] [passage omitted]

FURTHER ON FOILED M-19 SABOTAGE PLAN

PA052220 Bogota Television Service in Spanish 1730 GMT 5 Aug 86

[Report by Mario Arboleda]

[Text] The Intelligence Section of the 3d Brigade has foiled an M-19 plan which was to be carried out Thursday in Cali. The M-19 forces in Cali are without communications after an action by the military authorities appointed to the 3d Brigade. According to Armed Forces sources, they foiled a terrorist plan to produce a boycott of President Barco's inauguration on 7 August.

According to the brigade, the guerrillas planned to leave Cali without communications and invade poorer areas like the Agua Blanca District, where some 300,000 live in subhuman conditions. The guerrillas, with their communication equipment seized by the Army, abandoned their plan, which included taking over the city, destroying public and private enterprises, as well as the main access bridges to Cali, reported by 3d Brigade Commander Hernan Jose Guzman.

[Begin Guzman recording] We found the radio equipment which they used to communicate throughout the country and abroad. They were in contact with various Central American and South American countries. Furthermore, we found all the messages exchanged with Cali, Medellin, and Bucaramanga. We found a 40 m band [as heard] radio. We also seized a computer used to code and decode communiques among the various columns. [end recording]

Some 20 members of the M-19 urban militia were captured and are at the disposition of the military judges. These men were in charge of recruiting people and training them for terrorist actions. According to El Valle authorities, there is a defense strategy capable of foiling any subversive attack to disrupt the peace in Cali.

BRIEFS

NEW GDR, AUSTRIAN AMBASSADORS -- Bogota, 4 Aug (AFP) -- Two new ambassadors to Colombia presented their credentials to President Belisario Betancur today in ceremonies held at Narino House. The new ambassadors are Heinz Loehn of the GDR and Arthur Schuschnigg of Austria. [Text] [Paris AFP in Spanish 2323 GMT 4 Aug 86 PA]

ROK DEPUTY MINISTER MEETS WITH FEBRES CORDERO

PA051339 Quito Voz de los Andes in Spanish 1130 GMT 5 Aug 86

[Text] Kim Man-che, South Korean deputy prime minister and secretary of the Planning Board, has met with President Leon Febres Cordero. He expressed his government's desire to increase political, economic, and cultural relations with Ecuador. The official delivered a message from President Chon Tu-hwan to the Ecuadoran president expressing his country's interest in Ecuador's participation in the 1988 Olympics in Seoul. He asked for Ecuador's support of Korea's policy in the nonaligned countries group.

BRAZILIAN MINISTER SIGNS COOPERATION AGREEMENTS

PA051340 Quito Voz de los Andes in Spanish 1130 GMT 5 Aug 86

[Excerpts] The Ecuadoran and Brazilian Governments on Monday signed two agreements adjusting basic technical cooperation agreements. The agreements concern technical assistance in postal services as well as eliminating bureaucratization. The ceremony was held at the vice presidency of the Republic and was attended by Ecuadoran Vice President Blasco Penaherrera Padilla, who acted as a witness, and Ecuadoran Foreign Minister Edgar Teran and Brazilian Foreign Minister Roberto de Abreu Sodre. During the ceremony, Vice President Penaherrera Padilla stressed the two countries' desire to cooperate with each other as shown by the signing of the agreements. [passage omitted]

The Ecuadoran and Brazilian foreign ministers also on Monday presided over the meeting of the Eduadoran-Brazilian technical and economic cooperation commission at the Foreign Ministry. [passage omitted]

Brazilian Foreign Minister Roberto de Abreu Sodre said that the Ecuadoran-Brazilian meeting will make possible a further strengthening of the ties between the two countries through a frank and constructive dialogue.

COLORADO, OPPOSITION LEADERS RAP GOVERNMENT

PY060232 Asuncion HOY in Spanish 3 Aug 86 p 8

[Text] State Counselor Carlos Romero Arza, member of the Colorado Party Executive Board, yesterday made a speech on the topic "Is democracy possible in the current sociopolitical and economic moment?" at a panel discussion sponsored by the Archiocese Social Pastoral Mission, the National Laymen's Group, the National Laymen's Board, and the Prodemos [combination of Latin and Greek words meaning: for the people]. In his speech, delivered during a panel discussion at the Metropolitan Seminary, Romero Arza said: "The people who have taken the thankless responsibility of being the spokesmen for this allegedly democratic regime have done nothing but convert it into a daily "demos gracias" [giving thanks -- Romero is making pun with the word democracy] whose litanies remind us citizens that we must be thankful and always ready to be faithful and obedient to those who have given us everything."

Romero Arza continued: "The term 'giving thanks' well suits the panegyrists of this model because they must be thankful. However, the Paraguayan people, the stern and long-suffering citizens, the people who have participated in the great epic achievements that our nation has experienced politically, economically, and socially, have no reason whatsoever to give thanks."

Romero Arza also said that "based on rules applicable to crisis situations, we may say that in extreme situations, when tyrannies perpetuate themselves in office and prevent the people from having any possibility of peaceful free expression, the people have the right to resort to force to oust the tyrants."

He also said that "no exceptional measure should become permanent. This is abnormal and, consequently, illegal, and that which is illegal cannot be enforced indefinitely."

Romero Arza also referred to the Colorado majority of voters in the national electorate. This reference to the number of voters was commented on by Fernando Vera, president of the Febrerista Revolutionary Party, who spoke after Romero.

Vera said: "From the civic point of view, what a cowardly majority it is that fears to give equal conditions to the opposition so that it can express itself in the elections." He added: "What a cowardly majority that can only stay in power by declaring a permanent state of siege. How cowardly is the majority that cannot allow any other political party to act freely; which does not even permit intermediate social sectors, such as the labor unions, or peasants organizations, to freely organize themselves."

Reporter Humberto Rubin yesterday afternoon opened the panel discussion and said that "we will have democracy when we start to listen to all Paraguayans, and not just to the same old ones, like ourselves, who are asked to speak at a forum, or who have become famous for something done to us, and not for what we have done." He added that "many Paraguayans who, like ourselves, are trying to find the way, are very untruthful. Therefore, once we find out that each one of us has freed himself of the vanity of seeking a position of power, and seeks a country beyond his party and beyond his name, things will be easier."

DEPUTY ECONOMY MINISTER DISCUSSES DEBT PAYMENT

PY042111 Lima Panamericana Television Network in Spanish 0215 GMT 4 Aug 86

[Interview given by Deputy Economy Minister Gustavo Saberbein to Fernando Vasquez; date and place not given -- recorded]

[Excerpts] [Vasquez] Good evening, Dr Saberbein.

[Saberbein] Good evening.

[Vasquez] What is the aim of the recent measures ordered by the government regarding the money market?

[Saberbein] Several. First, to make the best use of foreign currency; second, to make sure that the development already attained continues in the future; and third, to conduct these measures without upsetting or disturbing anyone.

[Vasquez] Would you say that this is a control of exchange?

[Saberbein] I would say it is a regulation, a regulation which is necessary because there is a desire to overcome the crisis and not only to grow but also to improve.

[Vasquez] What will happen to the people who must buy dollars? Will it be easy for them to buy dollars?

[Saberbein] Yes, defintely yes. It will continue to be the same as in the past. The person will have to go to a money changer's establishment or a bank and request the currency he or she needs to travel abroad.

[Vasquez] President Garcia on 28 July announced in his message to the country that there would be no devaluation, did he not?

[Saberbein] That is correct.

[Vasquez] The reality, however, is the following: before the presidential speech there were two foreign currency exchange rates: the single exchange market [Mercado Unico de Cambio -- MUC] of 13.90 intis and the free exchange market, the black market dollar, at 17.50 intis.

Now according to the new exchange policy, the Economy Ministry has created a new market. The MUC remains at 13.90 intis; the money market, which is another official dollar, at 17.50 intis; and the new unrestricted money market [Mercado financiero de libre disponibilidad] where any citizen can buy dollars at a price which may go up, and which some people believe will reach 19 or 20 intis. Meanwhile, many products which were exported at the MUC rate of 13.90, are now being sold at the money-market rate of 17.50. So there has been an increase of 25 percent. Among these products are liquor, marble, photography film, newspapers and other printed materials, calculating and copying machines, watches, sound equipment, and others. And this, Mr Minister, in the eyes of any person who knows a little about economics, is a disguised devaluation. Why then was a devaluation not announced?

[Saberbein] Let us analyze the different parts of the topic. First, there are not three new markets, but the same two: The MUC which has not been modified; and the money market which has also not been modified in its foreign trade department, while its other department continues to fluctuate as before.

There is no intention among the economic advisory group or in the government to devaluate or to implement an increase in this type of market, and I will explain why. Until now the Central Reserve Bank has had to intervene to prevent the dollar from declining, because there are more dollars being offered than before, and fewer people or enterprises to buy then. Nowadays only private individuals will be able to buy these dollars, and companies will have to buy dollars from the Central Reserve Bank, so we fear that the dollar rate will decline rather than increase. [passage omitted]

[Vasquez] During his 28 July speech, the president also said that in terms of profits and royalties, and payments of the private debt, there has been a capital flight of $1 billion. The first question is: According to the estimate of some experts, this capital flight was only $700 million. Do you know about that?

[Saberbein] First of all it is not capital flight. It is a normal movement of payments of private debt, and of remittances which are both based on national legislation, although some could be considered dubious. What we now have to struggle for is growth which includes the use of currency existing in the country.

[Vasquez] What I was going to ask is how was this calculation done? The president himself reported capital flight.

[Saberbein] This calculation was done at the Economic Institute, and it included reports by the Central Reserve Bank and the Economy and Finance Ministry. Anyone can consult the data released by the sector during the last few years.

[Vasquez] Could it not have been reported earlier before such a large flight had taken place?

[Saberbein] I repeat that these remittances were not exactly capital flight, but remittances, payments made on a legal basis. Part of these remittances might have had a dubious character. [passage omitted]

[Vasquez] On the foreign debt. Friday, 15 August, is a key day for us because on that day Peru must pay $180 million to the international banks. Will Peru make this payment?

[Saberbein] As has been announced by the economy minister, Peru will make a partial payment because our economy has been affected this year by the decrease in the oil price.

[Vasquez] How much does partial mean? Thirty million dollars, for example?

[Saberbein] It will be a symbolic amount, but even so it is a great effort for us. Taking into consideration that we have lost $500 million because of the decrease in the price of oil and other minerals, we now have fewer dollars available than in the past.

[Vasquez] Is this symbolic amount enough to make the IMF desist from declaring us ineligible for further loans?

[Saberbein] Well, this does not depend on us. It depends on the IMF itself. We do not want to be deemed ineligible, but on the other hand...

[Vasquez, interrupting] And what would occur if we were deemed ineligible?

[Saberbein, continuing] ...on the other hand we cannot prevent it. Well, in reality most of what could have happened has already happened, as in the case of the previous administration. Why? The banks, for example, have not granted any loan to Peru for 24 months, since 12 months before 28 July, 1985. Since then we have, fortunately, been granted loans by friendly governments, such as FRG and Canada, among many others, and some agencies such as the Inter-American Agency for Development.

[Vasquez] What is the Peruvian strategy regarding the IMF?

[Saberbein] The Peruvian strategy regarding the IMF, which is an important creditor, as are many others, is first of all to tell the truth: Peru recognizes its debt and wishes to pay it, but it has great difficulty paying it and is therefore paying the debt according to priorities. The number one priority is domestic development. It is also very important to be able to say that all workers, political parties, and businessmen support this priority. [passage omitted]

FOREIGN MINISTER COMMENTS ON UPCOMING GATT TALKS

PY050255 Madrid EFE in Spanish 2233 GMT 4 Aug 86

[Text] Montevideo, 4 Aug (EFE) -- Foreign Minister Enrique Iglesias has stressed that if the upcoming round of GATT talks that will start in September fail, then "we can expect a real trade war throughout the world."

Iglesias also stated that "the agricultural problem will be the most complicated one, because there is a confrontation between the United States and the EEC and the producing countries."

Iglesias will preside over the GATT meeting that is to start on 15 September at the Uruguayan seaside resort of Punta del Este, 150 km from Montevideo.

The Uruguayan minister has also stated that there will be a prior meeting in Australia of the main agricultural-producing countries to set a common position with which to face the EEC and the United States regarding protectionism and agricultural subsidies.

Iglesias has warned that "we will be the victims" of an eventual trade war.

At the end of June representatives from Argentina, Australia, Brazil, Canada, Chile, Hungary, Indonesia, Malaysia, New Zealand, the Philippines, Thailand, and Uruguay came to the conclusion in Bangkok that the upcoming round of GATT talks will lack any sense if agricultural products are not included in the agenda of negotiations.

MINISTER NOTES MARKED ECONOMIC IMPROVEMENT

PY020233 Madrid EFE in Spanish 0156 GMT 1 Aug 86

[Text] Montevideo, 31 Jul (EFE) -- Economy and Finance Minister Ricardo Zerbino has said that Uruguay's financial situation has shown a "marked improvement" in relation to the situation that prevailed in March 1985 when the democratic government took power.

The economy minister noted that at the international relations level "Uruguay has been able to resolve its foreign debt problems in a favorable manner" and that at the domestic level "economic reactivation is quite evident."

Zerbino noted that in view of a new agreement with the international banking sector, Uruguay has been allowed to omit a payment which in interest rates and capital alone totals between $800 or 900 million per year until 1989. Uruguay has replaced the payment of these installations with "much smaller" payments that are virtually "only on interest rates" until 1989.

At the domestic level, "economic reactivation is quite evident as seen through several indicators" said Zerbino.

According to the economy minister "there is also an improvement" in the public financial sector, and "there has been a gradual reduction in the budget deficit."

The Uruguayan economy and finance minister noted that "these improvements will result in achievements in the economic and social fields."

Nevertheless, 70 percent of the inhabitants of Montevideo, where half of Uruguay's 2.9 million inhabitants live, complain about the present economic situation and say that it "undermines" the social situation.

A recent poll carried out by the U.S. company "Gallup" disclosed that the majority of Montevideo residents and those of nearby areas are "concerned" about the high cost of living, low salaries, low retirement pensions and unemployment.

SUPREME COURT GIVES CONTESTED CASE TO CIVIL COURT

PY301900 Montevideo Radio El Espectador Network in Spanish 1000 GMT 30 Jul 86

[Text] The Supreme Court has ruled that the civil court has jurisdiction in a case which the military court said is under its jurisdiction.

The five members of the Supreme Court ruled that the case should be under the jurisdiction of the 1st Civil Court. The military judges, Brigadier General Jorge Borad, retired, and Colonel Manuel (Pagola), retired, the ad hoc members of the Supreme Court dissented.

This case involves a sailor, Jose Antonio (Clavelo) Iglesias, who fired a shot at Alfonso Martin Torrez, an employee of UTE [State Power and Telephone Administration], when he tried to enter the Montevideo port.

Two days after this incident the case was taken to the 9th Criminal Court to try the sailor for causing serious injury. The 4th Military Court immediately said that this case was under its jurisdiction. The case was then passed to the Supreme Court on 4 July 1984. The Supreme Court based its ruling on Article 253 of the Constitution. The ruling also mentions the opinions of well-known jurists such as Education and Culture Minister Adela Reta, lawyers Ofelia (Gretti), Enrique (Bescovi), [name indistinct], and others.

BRIEFS

JOINT VENTURE WITH HUNGARY -- Two Uruguayan companies have signed a cooperation contract with the Hungarian company Hungarotex, seeking to expand the interantional market. The new corporation will be headquartered in Montevideo and will be responsible for increasing the trade between Latin America and Hungary. As reported by Radio El Espectador, talks and negotiations with Hungary were held by a delegation headed by Foreign Minister Enrique Iglesias. The Uruguayans have pointed out the need for sustained growth of the traditional export lines to Hungary, expressing a firm interest in diversifying the trade to include such products as citrus, textiles, manufactured goods, and shoes. [Text] [Montevideo Radio El Espectador Network in Spanish 1600 GMT 23 Jul 86 PY]

GDR'S GERLACH VISITS, MEETS SEVERAL LEADERS

PA060001 Caracas Television Service in Spanish 1600 GMT 5 Aug 86

[Text] The strengthening and maintenance of world peace was the main topic discussed by Venezuelan President Jaime Lusinchi and Manfred Gerlach, deputy chairman of the GDR Council of State in a Miraflores Palace meeting.

The high-ranking GDR official is touring the country to meet with various national sectors. The meeting was also attended by Foreign Minister Simon Alberto Consalvi and Finance Minister Manuel Azpurua. They emphasized the implementation of policies that will lead to disarmament and prevention of war, mainly in Central America. President Lusinchi and Gerlach stated that great efforts must be undertaken for detente. Both nations have supported this position in various international forums. They also discussed cooperation in various fields and speeding up new agreements. A technical cooperation project is being drawn up that will bring excellent benefits to the two countries.

PRC PETROLEUM OFFICIALS VISIT MARAVEN

PA051859 Caracas EL UNIVERSAL in Spanish 25 Jul 86 p 2-11

[Text] A delegation from the PRC's Petroleum Industry Ministry is visiting Venezuela to continue the dialogue that will make it possible to reach cooperation agreements. The delegation is comprised of seven representatives, who will hold meetings for 2 weeks at Maraven [a subsidiary of Venezuelan Petroleum, Inc.] on heavy crudes and thermal recovery.

The Chinese delegation is composed of Dou Bingwen, director of the International Cooperation Department [as published] of the PRC's Petroleum Ministry (MPC); Jia Jinhui, vice president of the MPC's Petroleum Exploration and Exploitation Institute; Wang Qimin, deputy chief of engineers of the Daqing Field Institute; Lui Baohe, production superintendent of the Shengli Field; Shu Zhanghua, production superintendent of the Shu Guan Field, Liao He region; Liu Pignan, deputy director of the MPC's office for scientific and technical cooperation; and Wang Shaoxian, Spanish interpreter. The exchange between the two nations began in March 1985 when a delegation of the National Petroleum and Petrochemical Industry visited China for preliminary identification of the possible areas of cooperation. In September of the same year, a new Venezuelan delegation traveled to the PRC to do a technical analysis of those areas of cooperation. During that visit, the MPC requested Maraven's technical assistance with a feasibility study of the Linfanjia field. This study was performed and sent to the MPC. In November 1985, an agreement for scientific and technical cooperation in the petroleum field was signed between the energy and Mines Ministry and the MPC.

As part of the series of exchanges and of preliminary agreements, the Chinese delegation currently visiting Maraven has recently received several presentations, including talks on alternate steam injection, secondary recovery through continuous injection, computing systems for geological exploration, and study of deposits by interactive simulation. Visits have been also scheduled to the heavy crude fields of Pedevesa [Petroleos the Venezuela, S.A.] on the east coast of the lake, which also includes visits to the M-6 and 4-3 steam plants. These series of technical talks, together with the visits to the production fields and the talks and expositions that have been programmed by Lagoven, Corpoven [subsidiaries of Venezuelan Petroleum, Inc], and the Intevep [Institute of Venezuelan Petroleum Technology], will allow the Chinese and Maraven representatives to identify the technical points and the projects which will be included in future cooperation agreements. These agreements will encompass, on the part of Maraven, technical assistance in petroleum engineering, deposits engineering, steam injection, and production and management of heavy crudes. Regarding the agreements to be signed, the MPC will contribute their experience and technology in water injection and fractured deposits to the national petroleum and petrochemical industry.

GIL NOTES VOLUNTARY OIL PRODUCTION DECREASE

PA060214 Caracas Television Service in Spanish 0000 GMT 6 Aug 86

[Excerpt] [passage omitted] Today, in statements to the press, Acting Energy and Mines Minister Julio Cesar Gil said that our country will reduce its oil production volume by 145,000 or 150,000 barrels per day in an effort to adjust its production level to the quota it was assigned in October 1974, which was 1,555,000 barrels per day. This of course will be for 2 months. The market's behavior will be observed until another [OPEC] meeting is called, probably in September. Will the [OPEC] agreement be respected? The answer is given by acting Energy Minister Gil:

[Begin recording] We must assume that all of the countries are acting in good faith and that this is the beginning of a medium- to long-term agreement. I believe that as the benefits of OPEC's goodwill are proven with the strengthening of peace, the countries that are not OPEC members will contribute to the effort. It is important to note this because they also contribute to the strengthening of prices. [end recording] [passage omitted]

3 AIR FORCE PLANES COLLIDE; 2 DEAD

PA051819 Hamburg DPA in Spanish 1722 GMT 5 Aug 86

[Text] Caracas, 5 Aug (DPA) -- Three Venezuelan Air Force (FAV) "Mirage" aircraft crashed today, killing at least two crew members. A brief Defense Ministry report issued in Caracas at noon reports that the triple accident occurred at approximately 1000. It states that the three planes were part of a squadron on its way to central Venezuela for firing drills. The craft crashed as they were flying back to their home base (in Maracay, approximately 120 km southeast of Caracas). The bulletin does not detail inquiries or casualties, but unofficial reports obtained by DPA indicated that two pilots were killed, while the third survived by ejecting from his aircraft. Venezuelan President Jaime Lusinchi was immediately informed of the situation. He ordered the opening of an investigation after which the details of the triple accident will be disclosed.

BRIEFS

NEW POLITICAL PARTY -- The New Democratic Generation Party was legalized today before the Supreme Electoral Council. This party will participate in the 1988 elections. (Thelmon Urguelles) is the party's president. The party has asked that its ballot have red, beige, and blue vertical stripes with the candidate's photograph in the center. The party's symbol will be the liquiliqui [Venezuelan native costume]. [Summary] [Caracas Television Service in Spanish 0000 GMT 8 Jul 86 PA]

MILITARY ACADEMY COMMANDER -- Brigadier General Hernan Jose Vasquez Pena took over on 9 July as the new director of the Military Academy of Venezuela. [Summary] [Caracas EL UNIVERSAL in Spanish 10 Jul 86 p 1 PA]

ARMY PROMOTIONS -- On 10 July, Brigadier General Mario Lizardo Mendoza became new Army chief of operations, while Brigadier General Manuel Heinz Azpurua was appointed chief of intelligence. Brigadier General Oscar Roviro Villamizar took over as chief of personnel. Meanwhile, Brigadier General Rafael Perez Luque became on 9 July the director of the "Libertador Simon Bolivar" Army School. [Summary] [Caracas EL UNIVERSAL in Spanish 10 Jul 86 p 1-21 PA]

NEW INFORMATION CHIEF -- President Jaime Lusinchi has sworn in Carlos Croes as the new director of the Central Information Office. Mr Croes is replacing Federico Alberto Ravell. [Summary] [Caracas Television Service in Spanish 1600 GMT 22 Jul 86 PA]

POLICE CONFISCATE COCAINE -- National guardsmen have confiscated 14 kg of pure cocaine in the parking lot of a Caracas luxury hotel. General Alfredo Sandoval Hernandez, commander of the Armed Forces of National Cooperation, identified the persons arrested as Nivia Montes Perez, Colombian, who had several bank accounts with large sums of money, Jesus Sanabria Jaimez, and Luis Rafael Aguilera, both from Venezuela. Julian Montes Giraldo, Colombian, is still at large. [Excerpt] [Caracas Television Service in Spanish 0000 GMT 17 Jul 86 PA]

NEW CENTRAL BANK PRESIDENT -- President Jaime Lusinchi has just appointed Hernan Anzola as the new president of the Central Bank of Venezuela, replacing Benito Raul Lozada. Anzola was the minister of state for the production, promotion, and coordination of state enterprises. [Summary] [Caracas Television Service in Spanish 1600 GMT 30 Jul 86 PA]

GROUP OF SIX LEADERS ARRIVE, DISCUSS ISSUES

De La Madrid, Papandreou Talk

FL051024 Mexico City NOTIMEX in Spanish 0504 GMT 5 Aug 86

[Excerpts] Mexico City, 4 Aug (NOTIMEX) -- Mexico and Greece have stressed the need for revitalizing international cooperation, seeking with greater vigor a new world order and focusing on the more urgent problems such as the economic crisis, the developing countries' debt, and peace.

President Miguel de la Madrid and Greek Prime Minister Andreas Papandreou asserted the urgency for promoting a dialogue between industrialized and developing countries to seek solutions which will make it possible to deal successfully with the economic crisis.

At a dinner held in honor of Papandreou, the Mexican President said today, more than ever, we have to intensify international cooperation and renew with greater vigor and determination the struggle for the establishment of a just, friendly, and equitable world order. [passage omitted].

Miguel de la Madrid warned that Latin America is demanding political attention for its economic security, removed from military preoccupations, and because of that the Latin American governments will increase their efforts and initiate reforms concerning wrongs and resentments. In the face of a warlike escalation, we will respond with renewed arguments of harmony and more solid reasons for peace. [passage omitted]

We will insist on our commitment for a world free of nuclear arms and will promote an international system which will guarantee our people's development with peace and security, De la Madrid said. The chief of state defended democracy as a system of political tolerance and reciprocal respect and also defended independence and self-determination. In addition, he condemned any type of interventionism. [passage omitted]

Andreas Papandreou affirmed it is of vital importance for humankind to preserve liberty, independence respect for human rights, and democracy.

We have the right to want to be owners of ourselves and our destiny, and that is why it is absolutely reasonable to play an active role in safekeeping peace and shaping the society of the future. In this sense, he acknowledged that the economic crisis affecting Third World countries, especially Latin America, is threatened with social order and peace.

He noted that the high level of foreign indebtedness and its grave consequences generate desperation among Latin American peoples, and he demanded that a meaningful dialogue between North and South begin as soon as possible to confront the problem comprehensively.

Papandreou proposed carrying out necessary structural changes and undertaking social reforms so that indebted countries may emerge from the socioeconomic swamp to which they were led by today's asphyxiating reality. [passage omitted]

Papandreou referred to the situation existing between Greece and Turkey and said that, unfortunately, Turkey has undertaken provocative actions that jeopardize inter-Balkan cooperation and peace. Greece, he added, loves peace, but future Greek-Turkish relations depend on the application of principles and norms established in international law and the United Nations Charter. [passage omitted]

Issue Joint Communique

FL052038 Mexico City NOTIMEX in Spanish 1920 GMT 5 Aug 86

[Text] Mexico City, 5 Aug (NOTIMEX) -- The presidents of Mexico and Greece today agreed that it is urgent to unite the efforts of countries committed to peace, independent development, international cooperation based on equality, and the peoples' sovereign right to self-determination.

In a joint communique issued by Mexican President Miguel de la Madrid and Greek Prime

It was also agreed to promote higher education on Latin American and Greek topics in the two countries and Neo-Hellenic studies in Mexico. De la Madrid and Papandreou agreed to study cooperation possibilities in the areas of construction, maritime transportation, agriculture, and industry. They also stressed establishing cooperation mechanisms in Greek and Mexican economic and trade organizations and in the public and private sectors to develop economic bilateral realtions.

At the conclusion of the Greek prime minister's official visit with the Mexican president, the two heads of state stressed the importance of this first bilateral meeting to strengthen the ties between the two countries to promote cooperation and understanding in all areas.

Athens Radio on Meeting

NC051628 Athens Domestic Service in Greek 1130 GMT 5 Aug 86

[Excerpts] Greece feels that the talks between Prime Minister Papandreou and Mexican President Miguel de la Madrid, as well as those between Greek ministers and their Mexican counterparts, have been productive in both political and economic terms. [passage omitted]

Foreign Minister Karolos Papoulias briefed a number of political correspondents, saying that the discussions with Mexican political leaders took place in a very friendly and cordial atmosphere. He added that other countries, specifically Brazil and Australia, have asked to join the peace initiative of the Group of Six. Papoulias noted that the Greek prime minister agreed with the Mexican president's belief that their two countries should play a special role through bilateral intervention in such areas of tension as Afghanistan, Namibia, Cyprus, and the Aegean. The next steps for the implementation of this proposal are still to be determined.

Papoulias also highlighted the significance that Mexico and Sweden attach to the initiative of the Group of Six and expressed his opinion that many people have changed their minds about the initiative's ability to get results. The talks between Papandreou and Miguel de la Madrid included an analysis of the message of Chernobyl. The prime minister said this incident proves that fate alone determines who will suffer only one such accident. In addition, the Greek prime minister noted that the Mexican president had relayed his country's interest in the democratization of Latin America. Miguel de la Madrid also voiced his fear that any intervention in Nicaragua would bring an upsurge of anti-Americanism in Central America and in Latin America as a whole, and would create a new situation. Finally, Papoulias said that Prime Minister Papandreou told the Mexican president that he hoped bilateral economic relations would develop further, and that cooperation with Mexico would be closer and permanent. [passage omitted]

Speaking at a dinner last night in honor of the Greek prime minister, De la Madrid praised the role played by Papandreou. He described him as dedicated to the promotion of friendship and cooperation between Greece and Mexico. The Mexican president went on to say that Greece and his country participate in such peaceful undertakings as the initiative of the Group of Six. He also referred to Central America and to the efforts of the Contadora Group, which the Greek Government backs, to resolve the crisis in Central America and Latin America in general.

In reply to the Mexican president's toast, Prime Minister Papandreou emphasized that this visit confirms the close relations between the two countries. He said it was a firm point of reference that would allow a foundation to be laid for an even stronger form of cooperation. Papandreou touched on the common struggle for peace and on Greece's work on behalf of Balkan cooperation. He declared: We are trying to make our region, the Balkans, a zone of peace and cooperation free of nuclear weapons. We want it to be a place where relations among states are governed by the principle of good neighborliness. Despite the different political and social systems of our northern neighbors, the prime minister stressed, we continue to strengthen our ties of friendship and close cooperation. Unfortunately, Turkey's policy does not permit a complete form of inter-Balkan cooperation. As far as our country is concerned, Turkey's continual provocations and threats are its way of questioning the internationally recognized status of the Aegean and, in the final analysis, our inalienable sovereign rights.

Regarding the Cyprus issue, Papandreou said it was a cause of special concern, as it constitutes a danger to peace in the region, and is a question of great national importance to Greece. We believe, he added, that the withdrawal of all Turkish occupation troops from the Republic of Cyprus is an essential precondition for a just and viable solution under UN auspices.

Concerning the problems of Latin America, Papandreou explained the Greek Government attaches special significance to them. He noted that Greece is working inside the EEC to strengthen relations and narrow the differences between Europe and Latin America. Papandreou highlighted the fact that Greece, in close cooperation with its partners in the European Community, has supported the Contadora process from the outset. He said that the Contadora Group is trying to reach a peaceful, comprehensive solution that stems from the region itself, and is based on the principles of territorial integrity, self-determination, noninterference, and respect for human rights and democratic freedoms. [passage omitted]

Greece To Purchase Mexican Oil

PA052315 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 5 Aug 86

[Text] Greek Foreign Minister Karolos Papoulias has announced that as a result of Prime Minister Andreas Papandreou's meeting with Mexican President Miguel de la Madrid, Greece will purchase oil from Mexico. The Greek foreign minister made this statement during a news conference, adding that the meeting between President De la Madrid and Prime Minister Papandreou was very positive.

He also said President De la Madrid had accepted an invitation to visit Greece. Mexican Foreign Secretary Bernardo Sepulveda was also invited to visit Greece to prepare for De la Madrid's trip. The date for the two trips will be announced through the usual diplomatic channels.

Foreign Minister Papoulias announced that a bilateral commission will be appointed in the next 3 months. The commission will be responsible for studying matters related to trade exchange and coinvestment between Mexico and Greece. Earlier today, Prime Minister Papandreou attended a reception at the embassy, to which Greek citizens in Mexico were invited.

Sweden's Carlsson on Arms

FL050400 Mexico City NOTIMEX in Spanish 0255 GMT 5 Aug 86

[By Rossana Fuentes Berain, special correspondent]

[Text] Ixtapa-Zihuatanejo, 4 Aug (NOTIMEX) -- Swedish Prime Minister Ingvar Carlsson said today that the disarmament dialogue is not exclusively limited to the superpowers of the world who have weapons.

In an exclusive NOTIMEX interview, the Swedish prime minister said that a nuclear war today would destroy all civilization, proving why countries representing the five continents can do more in reference to nuclear disarmament.

Carlsson arrived in Mexico City today and immediately departed for Ixtapa-zihuatanejo to attend the Group of Six conference which will be held 6 and 7 August and which is expected to launch a new initiative for nuclear disarmament. In addition to Carlsson, other leaders attending the meeting will be Miguel de la Madrid and Raul Alfonsin, presidents of Mexico and Argentina, respectively; Andreas Papandreou and Rajiv Gandhi, prime ministers of Greece and India, respectively; and Julius Nyerere, former president of Tanzania.

Carlsson said the Group of Six is not trying to replace the United Nations, instead, he said, we are trying to work with the United Nations even though there are times when a group is needed to work in a less bureaucratic manner and more directly with U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev.

He said the Group of Six has demonstrated it can function in this manner and inform and offer its services to the Soviet Union and the United States. After affirming that the Group of Six has greatly influenced international public opinion, Carlsson said that we have to be strong and demonstrate that it is impossible, even for superpowers and for political leaders like Gorbachev and Reagan, to disregard the opinion of the rest of the world. When asked how a nongovernmental organization can help achieve the acceptance of public opinion, he said this is achieved by organizing the sentiments of men, people, in towns and cities. It seems that people are becoming more aware of the dangers of militarization, not only the nuclear arms race but also the militarization of space, he said. The people, he said, are afraid and want to do something in this respect and we should try to organize the protests. Nongovernmental organizations can do much in this area, he added.

Carlsson said that by calling for an end to nuclear testing and a treaty prohibiting complete tests we have made it possible, in a certain way, for Gorbachev and Reagan to meet and at least begin a treaty prohibiting testing. He added that the relationship between the United States and the Soviet Union has been very tense over the past few years, and the international community would like to have a disarmament process without simultaneously having a political clash between the superpowers. Nevertheless, this is not likely to occur as soon as we would like, he said. The Swedish prime minister also said the people of the United States and the Soviet Union are afraid of a third world war.

During the Reagan-Gorbachev meeting in Geneva, he said, they agreed that there should not be another war where nuclear weapons are used; what remains to be seen are constructive decisions in this area.

In reference to military spending in developing countries, Carlsson said military spending reduces the financial resources that can be utilized in a better manner. These expenditures, he said, can be used to pay a part of the foreign debt of poor countries and for research in the technical, medical, and peaceful development of weapons. For our part, concluded Carlsson, we dedicate 5 percent of the GNP to the countries of Asia, Africa, and Latin America. I believe that industrialized countries could spend more in foreign aid, especially if they reduce the defense budget, said Carlsson.

Tanzania's Nyerere Arrives

FL050046 Mexico City NOTIMEX in Spanish 0021 GMT 5 Aug 86

[Text] Mexico City, 4 Aug (NOTIMEX) -- Former Tanzanian President Julius Nyerere has arrived in Mexico to attend the Group of Six meeting on 6 and 7 August in Ixtapa-Zihuatanejo.

The former president arrived at the Mexico City International Airport and was met at the presidential hangar by Deputy Foreign Secretary Alfonso de Rosenzweig.

After his arrival, Nyerere and his delegation boarded a Mexican Air Force plane and departed for Ixtapa-Zihuatanejo.

BISHOPS' STATEMENT ON HONESTY IN GOVERNMENT

For the text of "Christian Consistency in Politics, Pastoral Exhortation of the Bishops of the Northern Pastoral Region," issued 19 March 1986, see the JPRS LATIN AMERICA REPORT of 8 July 1986 (JPRS-LAM-86-058), pp 83-92.

DELVALLE ON LATIN AMERICAN SUMMIT, DUVALIER

PA052321 Panama City Circuito RPC Television in Spanish 1730 GMT 5 Aug 86

[Text] President Eric Arturo Delvalle says it is necessary for the Latin American presidents to meet to seek solutions to area-wide problems.

[Begin recording] [Delvalle] I think, and I have said so before, that the Latin American presidents should meet. We have many things to discuss, particularly the foreign debt, which is hindering the development of our countries. This is the vital topic for discussion. However, there are other matters to be discussed, such as control of terrorism, limiting expenditures in arms, drugs, etc. I think we have a great number of things that justify a meeting of the presidents. In the framework of its diplomatic tradition, Panama is again willing to offer its capital, the American oasis of peace, as the site for that meeting.

[Reporter] Could this meeting be affected by the country's deteriorating international image?

[Delvalle] I do not think the country has suffered internationally as much as has been locally reported. I think that the anonymous lies are merely falsities. It has been established that there is no proof. On the contrary, there is irrefutable proof that all that has been said is false. Now the one who is in question is Mr Helms, the accuser. [end recording]

In regard to asylum for former Haitian President Jean-Claude Duvalier, Delvalle said:

[Begin recording] That news is doubly false. He has not requested asylum from us, and Panama will not offer it to him. [end recording]

PRESIDENT MEETS WITH VENEZUELAN MINISTER

PA051841 Panama City LA REPUBLICA in Spanish 4 Aug 86 pp 2, 10

[Text] President Eric Delvalle has received Venezuelan Investment Fund Minister Hector Hurtado in his Palace of the Herons office where the two analyzed Venezuelan investments in Panama and agreements for the signing of a bilateral treaty that calls for the duty-free introduction in the Venezuelan market of Panamanian products.

Minister Hurtado, who on Saturday concluded a 2-day official visit to Panama, was accompanied by Aquiles Vilora, technical director of the Venezuelan Investment Fund, and Ambassador Enrique Peinado Barrios. The minister recalled that the current negotiations for reaching a bilateral trade agreement were initiated in February. The president said he is very much in favor of closer trade relations with Venezuela and of Panama opening its doors to Venezuelan products which would not represent competition for products made locally.

Minister Hurtado also discussed the current status of the project for the construction of the Simon Bolivar Bridge over the Canal and the conclusion of the Panama-Arraijan highway, a project that has a cost of $100 million balboas and is to be financed by the Venezuelan Government.

The Panamanian president ordered Planning and Economic Policy Minister Ricarte Vasquez to hold discussions on the technical aspect, and Minister Vasquez later met with the Venezuela minister and his retinue. To the surprise of the Venezuelan delegation, Minister Vasquez appeared reluctant to go into details regarding Venezuelan investments and adopted a casual attitude even on trade and export agreements with Venezuela.

Before returning to Venezuela, after having visited Guatemala, El Salvador, and Honduras, Minister Hurtado told Panamanian newsmen that he had found Minister Vasquez' attitude strange because it contrasted with the encouraging meeting that he had held with President Delvalle. The issues surfaced in the context of the signing of a bilateral agreement between Panama and Venezuela that calls for the duty-free introduction of Panamanian products in the Venezuelan market.

In addition to the Venezuelan delegation, the meeting with Minister Vasquez was attended by Panama's ambassador to Venezuela, Marcel Salamin; members of the board of directors of the Panamanian Foreign trade Institute, the National Bank of Panama, and the National Investment Council; and by Deputy Public Works Minister Rogelio Dumanoir.

Minister Hurtado's visit to Panama has created much expectation about the possibility of reactivating the project for the construction of the Simon Bolivar Bridge and the Arraijan-Panama City highway. Articles published recently in the Venezuealan media have noted that the interruption of work in these projects is an unfortunate episode that must be corrected because it represents a grave problem for Venezuelan investors. In statements to Caracas' DIARIO, the Panamanian ambassador, Marcel Salamin, said that the suspension of the contract was due to economic matters, Salamin noted that the construction of the Simon Bolivar Bridge is important for Panama's economic development and communication.

LEGISLATOR SAYS FDP TRAFFICS ARMS FOR GUERRILLAS

PA051721 Panama City LA PRENSA in Spanish 5 Aug 86 p 1-A

[By Flor Quintero]

[Text] Christian Democratic Party (PDC) legislator Guillermo Cochez in statements to LA PRENSA charged that the Defense Forces of Panama [FDP] are directly participating in the traffic of arms for Peru's leftist guerrilla movement known as Shining Path and that the best evidence of this is the seizure of the Danish ship Pia Vesta. Cochez predicted that it is very probable this case will be "unveiled" in the next few days and that the participation of the government and the FDP in guerrilla-related activites would be finally demonstrated.

The legislator said that the FDP is "totally involved" in a process that involves corruption, drug-trafficking, and arms-trafficking, a process that will gradually debilitate it. "The specific charge by the ultraconservative daily THE WASHINGTON TIMES that our country has become a refuge for Bolivian drug-traffickers confirms charges we have filed with completely deaf authorities."

The legislator told LA PRENSA that what Justice Camilo Perez told this paper yesterday concerning the justice situation in Panama reveals that changes are necessary in our country. He added: "We can see that we are facing a government group that will do everything possible to continue discrediting our country at the international level."

Later he told LA PRENSA that THE NEW YORK TIMES' charges, in particular against Gen Manuel Antonio Noriega, are a hotter issue than the Torrijos-Carter Treaties in the United States because they have to do with something very important for the North Americans: drugs. He noted: "I have noticed that those charges have not stopped other undesirable activities that do not contribute to our country's reputation on the handling of international affairs."

Cochez said that "there is a group of people which accuses the opposition of making trips to the United States to speak badly about the government and of not being nationalist when we all know that it is the government's representatives who are paying juicy amounts for contracts not only with U.S. firms that specialize in lobbying, but also public relations companies that know nothing about our true situation, that it is they who continue leaning on the U.S. Government to remain in power." Cochez said that while it is true that the Panamanian people are not reacting to this situation at all levels, there is an outcry demanding a democratic system in Panama. He warned that if the government and the FDP insist on carrying out illegal activities, "those who know what is happening will have no other choice but to continue reporting on this situation, which really brings to Panama more discredit than whatever any Panamanian could say here or there about the situation.

He noted: "Panama, making a little effort, can still get out of the hole and the international discredit for which our rulers are responsible."

PRESIDENT NOT TO ATTEND BARCO INAUGURATION

PA010209 Panama City ACAN in Spanish 0148 GMT 1 Aug 86

[Excerpts] Panama City, 31 Jul (ACAN-EFE) -- Without giving any official explanation, President Eric Arturo Delvalle today [1 August] cancelled his visit to Colombia to attend the 7 August inauguration of President-elect Virgilio Barco. Foreign Minister Jorge Abadia Arias announced today that Vice President Roderick Esquivel will, in turn, attend the inauguration. [passage ommitted]

The foreign minister said today that "we are planning to hold a meeting in Colombia of the Contadora foreign ministers (Mexico, Colombia, Venezuela, and Panama) along with the Support Group ministers (Argentina, Brazil, Peru, and Uruguay)." The foreign minister added that President Delvalle "has entrusted us (along with Esquivel) to make the contacts in Bogota, as well as to sound out the possibilities for a meeting, because the Central Americans are anxious for us to take some initiative."

COSTA RICA

MINISTERS COMMENT ON RESULTS OF U.S. TRIP

PA052247 San Jose Radio Reloj in Spanish 1200 GMT 5 Aug 86

[Text] Presidency Minister Rodrigo Arias has said that during a visit to Washington by a Costa Rican mission the participants found understanding of the country's economic problems. Arias added that the need to count on aid from friendly governments such as the United States was also understood. It was an opportunity to discuss the social problems currently affecting the country and the need for more flexibility concerning areas requiring economic adjustments.

Rodrigo Arias said that the mission that traveled to Washington informed the U.S. authorities about Costa Rica's efforts to counter drug trafficking. He added that the possibility of improving future coordination between the antidrug institutions was also discussed. He noted that during the next few months, the Security Council might take measures to coordinate those actions. Apparently, the United States may support Costa Rica in its struggle to control the consumption and trafficking of drugs.

So far, no official invitation has been received for President Oscar Arias to visit the United States and meet with President Ronald Reagan, Presidency Minister Rodrigo Arias, said, upon returning from Washington together with Foreign Minister Rodrigo Madrigal Nieto and Vice President Jorge Manuel Dengo. Dengo added that there were indications suggesting a desire for Arias to visit the United States, which can be considered a preliminary invitation.

Presidency Minister Rodrigo Arias said that based on talks held with State Department officials, it is possible that President Arias may travel to the United States before December. However, Rodrigo Arias said that it all depends on the two presidents' -- Oscar Arias and Ronald Reagan -- agendas.

Vice President Jorge Manuel Dengo said that the talks held in Washington focused on three points. Vice President Dengo, together with the foreign and presidency ministers met with the U.S. secretary of state and several under secretaries and mid-level technical and political officials. During their visit, the Costa Rican Government officials discussed problems concerning international policy, as well as Costa Rica's economic policy and U.S. economic policy and its effects on U.S. aid to our country.

Vice President Dengo said that Costa Rica's foreign trade problems were also analyzed in Washington. He added that the conversations focused mainly on the Caribbean Basin initiative and on the protectionistic U.S. regulations that affect our country. According to Dengo, the Costa Rican mission received great understanding from the U.S. officials concerning the three basic topics discussed.

Dengo stressed that the Costa Rican mission did not carry out any negotiations while in Washington, adding that negotiations on economic matters are handled by the Finance and Planning Ministries, and by the Central Bank. He said that they explained the two phases of the country's economic recovery, which are the recovery of stability, and reactivation and growth, the latter of which is the current government's main goal.

Dengo reported that in the meeting with U.S. Secretary of State George Shultz, U.S. policy concerning economic aid for Costa Rica was reviewed. Costa Rica's efforts to reduce its dependency on U.S. aid were also discussed. According to Dengo, those issues were analyzed based on two prospects: those referring to short-term requirements, in other words for 1986, and the medium-term requirements, in other words for 1986, and the medium-term requirements, in relation to future years. He added that in this respect, foreign aid requirements and the expected effects on the country's system of production were reviewed. Dengo said that short-term U.S. economic aid depends on two factors. The first refers to domestic U.S. political problems, and the second to the effects of that aid on our economy.

In his reference to short-term aid, Dengo was talking about the still pending $80-million disbursement from the USAID, which has already disbursed $40 million.

AMBASSADORIAL APPOINTMENTS -- The government has announced the appointment of Guillermo Villalobos Arce as ambassador to the OAS. The appointments of ambassadors to Canada, Panama, Colombia, Argentina, Peru, and Bolivia have not been decided yet. In Uruguay, the post of Ana Ramos, the minister-counselor, will be raised to the ambassadorial level. In Paraguay the post was eliminated a year ago, and relations are being maintained at a lower level. [Summary] [San Jose LA NACION in Spanish 21 Jul 86 p 4 [A PA]

EL SALVADOR

BLANDON DISCUSSES CONDECA, PEACE TALKS

PM051528 Madrid EL PAIS in Spanish 2 Aug 86 p 4

[Interview with head of the Joint Chiefs of Staff General Adolfo Blandon by Jose Comas in San Salvador; date not given]

[Text] San Salvador -- Head of the Joint Chiefs of Staff of the Salvadoran Armed Forces General Adolfo Blandon held the following conversation with EL PAIS' special correspondent.

Question: What is your opinion, General, of the attempts to revitalize Condeca (the Central American Defense Council, a military grouping including Honduras, El Salvador, Guatemala, and Nicaragua?

Answer: Personally, I believe that this is the right moment to revive Condeca. We are experiencing an extremely crucial moment, not only for the Central American region, and I believe that the harmonization of viewpoints of the various Armed Forces in the region could help consolidate democracy in the Central American countries.

Question: Formally, at least, Nicaragua is a member of Condeca. What role would Nicaragua play in this revitalization?

Answer: This is precisely the problem under study, because the current legal basis includes Nicaragua, and this means that if it is revived just now, they would have the right to have their representative. We believe that with the current Marxist-Leninist government in Nicaragua it would make no sense to revive Condeca with their presence.

Question: Would that revival of Condeca be a way of preparing an intervention in Nicaragua?

Answer: No.

Question: Concerning the dialogue with the guerrillas in El Salvador, what is the Armed Forces' stance? It is said that the Armed Forces disagree.

Answer: We have always supported the president of the Republic in the peace talks. We have done so from the outset, and we will continue to do so.

Question: Would you take part?

Answer: If the president so decides, we will take part.

Question: One of the things that you feel when talking with military personnel in El Salvador is the feeling that they believe that "the politicians destroy what we military achieve." What is your opinion?

Answer: All that can be said is that in our country, at this crucial moment when we need national unity, there are such conflicting tendencies that they have polarized the atmosphere, and this only helps subversive activity.

Quesion: I talked by chance with three displaced persons whom I found in taking refuge here in teh capital. They had relatives who had been killed by the Army, they said. How do you believe the Army can gain these people's confidence?

Answer: We certainly cannot deny that such cases have occurred in the fighting in the countryside, but it is because of the method the terrorists use of taking peasants to accompany them in their movements. When a clash occurs, there is no doubt that there must be many people killed who have nothing to do with them.

UNGO 'PESSIMISTIC' ABOUT CONTINUING DIALOGUE

PA051912 Panama City ACAN in Spanish 1728 GMT 5 Aug 86

[By Agustin De Gracia]

[Text] Panama City, 5 Aug (ACAN-EFE) -- The civilian leader of the Salvadoran guerrillas feels the resumption of peace negotiations with the government is "difficult" because Jose Napoleon Duarte is playing out a "game of appearances."

Last 1 June, Duarte proposed to the rebels continuing with the conversations that were initiated in October 1984 and suspended a month later. Last week, Duarte proposed a date and place for the third meeting.

"I am not so sure of the seriousness of Duarte's proposal, unless it is a provocation for us to answer no," FDR President Guillermo Ungo said today. The FDR is a group of political parties allied with the rebels.

"We are pessimistic about the continuation of the dialogue," said the rebel leader to foreign reporters in his Panama City apartment, where he lives in exile.

Ungo accused Duarte of proposing the meeting be held in places "that are not serious" and of establishing an "agenda of surrender" of the rebels. He is playing as if to hold a dialogue, but he is not doing it seriously," he added.

The FDR president did not wish to give details on the proposals, because the preliminary negotiations are being conducted in very strict secrecy, with the mediation of the archbishop of San Salvador, Msgr Arturo Rivera y Damas.

He did, however, specify that the government wants to hold the third meeting in a place other than San Salvador, which is where the guerrillas proposed holding the meeting late in August.

Guillermo Ungo, the leader of the only Salvadoran political party that is a member of Socialist International, the National Revolutionary Movement (MNR), shared the presidential nomination with Duarte in the 1972 elections.

The guerrilla leader said that the resumption of conversations to end the war that has been going on for nearly 7 years is "difficult" due to "Duarte's weakness" and the refusal by the United States and the Salvadoran military high command to put a peaceful end to the conflict.

"Duarte's situation is very limited," he added.

According to Ungo, the FDR and its military ally, the FMLN, are pursuing two goals: the resumption of the dialogue and "modest results" from the next meeting.

The government-guerrilla talks in 1984 were the first after 5 years of war, but were suspended without either of the two parties making any firm commitments to end the conflict.

Both groups accuse each other of not respecting even the minimum agreements reached after the first round of talks, particularly an agreement to "humanize" the war.

HONDURAS

MINISTRY ON ACCEPTANCE OF ICJ JURISDICTION

PA060316 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 5 Aug 86

[Text] At the behest of the executive branch, and in accordance with Article 36, Section 2 of the bylaws of the International Court of Justice [ICJ], on 21 June of this year the sovereign National Congress modified the declaration issued by the Honduran Government on 20 February 1960 regarding Honduras' acceptance of the ICJ's jurisdiction. To this end, the National Congress issued Decrees No 75-86 and 79-86, which were published in the Official Gazette on 4 and 6 June, respectively.

The decrees stipulate the matters on which Honduras accepts the jurisdiction of the ICJ and also identify the controversies to which the declaration under reference shall not apply.

With due authority from the Congress, on 22 May the Foreign Affairs Ministry issued the respective notices to the UN and OAS secretaries general, receipt of which has been acknowledged. At the same time, the UN and OAS secretariats relayed the Honduran notices to the member-states of those organizations as well as to the bodies that should hear of them as far as the ICJ itself is concerned.

Regarding the border controversy between Honduras and El Salvador, it is common knowledge that the two parties have pledged under both the 1980 peace treaty and the commitment recently signed by the two countries to submit the controversy to the ICJ.

The Foreign Relations Ministry makes this information public in view of the various comments that have arisen as a result of the introductory petition of the action filed by the Sandinist government before the ICJ.

The Foreign Relations Ministry reiterates to the public that this situation is being handled with the prudence and discretion that best suit the high interests of our country.

DESIGNATION OF ENVOY TO MANAGUA REPORTEDLY CHANGED

PA052217 Teguciglapa Voz de Honduras Network in Spanish 1130 GMT 5 Aug 86

[Text] For unknown reasons, Colonel Rigoberto Regalado Lara, the brother of the current chief of the Honduran Armed Forces, is no longer scheduled to be sent as Honduran ambassador to Nicaragua by the government, several sources have reported.

The Honduran Ministry of Foreign Affairs had decided to transfer Colonel Regalado Lara from his position of military attache in Guatemala to that of ambassador in Managua. The Sandinist authorities had already given their consent.

Regalado Lara was to replace Colonel Isidro Tapia; however, it was reported yesterday that the brother of General Humberto Regalado Hernandez will continue in his position as military attache in Guatemala.

The reasons for the change by the Honduran Foreign Ministry were not revealed, nor was the name of the person who will be sent as Honduran ambassador to Nicaragua.

NICARAGUA

LA PRENSA OFFICIAL REJECTS ORTEGA PROPOSAL

PA052155 Panama City ACAN in Spanish 2126 GMT 5 Aug 86

[Excerpts] Managua, 5 Aug (ACAN-EFE) -- The Sandinist proposal to reopen the opposition newspaper LA PRENSA in Managua is "a provocation" that does not deserve an answer, the newspaper's chairman, Violeta Chamorro, has said.

"I will not answer Commander Ortega's allusions to LA PRENSA because they are only a provocation, and I will not fall for them. Ortega's allusions are a provocation based upon false and slanderous statements that wrest seriousness and dignity from them," she added.

Last week, during a speech before a group of black leaders in Chicago, the Nicaraguan president invited the owners of the opposition newspaper to "adjust to the legal framework" offered by the Sandinist government.

Ortega said that the owners of the newspaper should break their ties with those who "direct and finance the war of aggression" against Nicaragua, so that the sanctions imposed on LA PRENSA can be reconsidered. [passage omitted]

Regarding Ortega's statements, Violeta Chamorro pointed out that "the president insists on repeating lies against the Nicaraguans' newspaper."

Violeta Barrios de Chamorro added that the closing of LA PRENSA, which was founded 60 years ago, "has caused a terrible curtain of silence to fall over Nicaragua." [passage omitted]

OPPOSITION SEES 'POSITIVE POINTS' IN ORTEGA PLAN

PA051624 Managua EL NUEVO DIARIO in Spanish 4 Aug 86 pp 1, 8

[Excerpts] The leaders of various opposition political parties feel that the "Chicago Proposal" presented by President Daniel Ortega in that U.S. city contains important and positive points for achieving peace in Central America.

Dr Eduardo Molina of the Conservative Party feels that the most important aspect of this proposal are disarmament in Central America, immediate dialogue between the church and the state, and the possibility of reopening LA PRENSA. [passage omitted]

Meanwhile, the leader of the Popular Social Christian Party, Cesar Delgadillo, said that the Nicaraguan Government's position is very positive, and all political and social organizations of the country should support this proposal. [passage omitted]

For his part, Independent Liberal Party leader Juan Manuel Gutierrez said that the proposal is positive, particularly in the aspect related to improving relations between the church and the state. He said that should the U.S. Government accept resuming a dialogue with Nicaragua, this would be the best way of resolving the problems. [passage omitted]

COMPARISON OF DANIEL ORTEGA'S 'CHICAGO PROPOSAL'

Managua International Service in Spanish at 1410 GMT on 5 August broadcasts the "Chicago Proposal" put forth by President Daniel Ortega on 3 August. The Managua International Service version has been compared to the Managua Radio Noticias version published in the Nicaragua section of the 5 August Latin America DAILY REPORT, P 24, revealing the following variations:

First paragraph, line one reads: ...to immediately start with the Vatican a constructive, open ...(adding phrase)

Paragraph four, from line two reads: ...with those who direct and finance the war of aggression against the Nicaraguan nation. Under those conditions, the temporary measure that has been applied to them would be reconsidered.

5. The Nicaraguan Government...(providing indistinct words, rewording)

Paragraph six, from last line reads: ...peace and friendship with Nicaragua, both sides promising to respect the legitimate interests of security of each nation and to make solemn commitments to respect international law, particularly the principles of nonintervention, nonuse of force, and peaceful resolution of controversies.

7. The Nicaraguan Government urges the Central American countries so that, under the auspices of the Contadora and Support Groups, we will turn Central America into a demilitarized zone and a region of peace that is internationally recognized and protected. To the Costa Rican and Honduran Governments, the Nicaraguan Government proposes the establishment of joint border patrols with the participation of the countries of the Contadora and Support Groups and under the auspices of the United Nations.

8. The Nicaraguan Government ...(providing indistinct words, additional material, and rewording)

SERGIO RAMIREZ DISCUSSES U.S. CONTRA AID

PA310257 Panama City LA PRENSA in Spanish 27 Jul 86 p 30 A

[By Argueles Morales]

[Text] Managua (ALASEI) -- Nicaraguan Vice President Sergio Ramirez Mercado has stated that the Sandinist revolution cannot give the contras the possibility of creating political, and thus military and terrorist, room to maneuver within the country. Consequently, in view of the conspiratorial activities of several local ultrarightist leaders, who included certain bishops, the government decided to expel Msgr Pablo Antonio Vega, who engaged in the promotion of a slanderous campaign against the revolution.

Ramirez, a 44-year-old writer and lawyer, as well as former member of the "Group of 12," told ALASEI in an exclusive interview that the Reagan administration "aid" for the contras involves a serious escalation in the White House's policy of aggression against Nicaragua. However, he noted that the logistical support of war materiel will not change the outcome of the war.

Following is a text of the interview.

[Morales] The U.S. House of Representatives recently approved $110 million [as published] to finance the counterrevolutionary groups. What does this U.S. congressional approval mean to Nicaragua?

[Ramirez] First of all it means a serious escalation in the Reagan administration's aggressive policy against Nicaragua. This package of financial and military aid for the counterrevolutionary forces the Reagan administration created and directs means that these mercenaries will receive light weapons first and then heavy weapons after October, including the delivery of rockets and radars in large quantities. This aid will also imply the direct presence of U.S. military advisers in the theater of this war. Therefore, this will put us on the verge of actions that are much more aggressive and include the direct participation of the CIA and the security and defense apparatus of the United States in this war. This means that the Reagan administration has taken one more step in the escalation within the framework of this confrontation with Nicaragua. Of course, we are sure that, militarily speaking, this warlike, logistical support for the counterrevolutionaries will not alter the equilibrium of the war here. We are defeating the mercenary forces. However, that support will strengthen terrorist actions, like the one that occurred last week in which 35 people were massacred by the explosion of a mine. Now, there are more attacks on peasants' land settlements. Now, we will again see the CIA in action. It will attack our ports, our country's vital bridges, and strategic Nicaraguan installations. Thus, the confrontation is becoming more heated and is increasing in intensity.

[Morales] Would the introduction of that sophisticated means to which you are referring provoke a change in the Nicaraguan military tactics?

[Ramirez] Nicaragua has a very well-defined defense strategy. It is the people in arms, the ones who are making the war. The people make the war through the permanent mobilization of the EPS, the peasants' defense capability in their settlements, their cooperatives, and their rural communities. However, for us it means that our internal security capability needs to be strengthened. It means that we will not give the enemy any opportunity to get organized internally throught the support of this kind of terrorist action. Thus, it means we will intensify the national state of emergency and make the people be on their guard, because everybody can take up weapons.

[Morales] Lately, several reserve battalions have been training. Would those reserve battalions be a response to the counterrevolution's increased strength?

[Ramirez] Here, we are prepared for two situations: first, the direct mercenary war, which we are fighting wherever it appears; in the border regions, in the pockets they have deep in the country, and in the mountainous regions of the country. However, faced with the possibility of a direct U.S. military intervention, the reserve capability is also destined to strengthen the defense of the cities, the Pacific coast, and the cities in the interior of the country. We have to prepare ourselves for that, too, and in a more accelerated manner, now that the Reagan administration has decided to intensify this war of agression.

[Morales] What would introducing or handing over surface-to-air missiles to the contras mean for civil aviation in the Central American region?

[Ramirez] We had already warned, after a military transport helicopter was shot down by one of those surface-to-air missiles, that supplying this type of armament to mercenary forces implied a risk to all Central American security. They are sophisticated weapons which the Reagan administration is irresponsibly placing in the hands of killers, drug traffickers, smugglers, and criminals, and no one can guarantee that they will not be used criminally. This is a completely irresponsible act by the Reagan administration and can bring serious consequences to all the Central American region.

[Morales] The handing over of that $110 million means, as you yourself point out, a stepping-up of the quality of weapons being given to the Somozists. In reply, would Nicaragua be willing to rearm itself, and what type of weapons would you get?

[Ramirez] We cannot under any circumstance and under these circumstances of increasing warfare renounce our defense. Our wish is for all able Nicaraguans to have the means to defend themselves, to defend their homes, their neighborhoods, their territories, their communities -- we shall continue to make use of the right we have to arm ourselves -- to defend ourselves while this aggression does not cease and we do not manage an overall climate of peace through integral negotiations like those of the Contadora Group, which the U.S. Government itself has set out to boycott.

[Morales] Speaking of Contadora, how is Contadora after the State Department refused to receive the group's foreign ministers which were going to present the document, especially after the result of the House of Representatives vote?

[Ramirez] The U.S. Government attitude is a permanent mockery of the negotiating action of the Contadora Group. For our part, and just as we expressed in our official communication to the Contadora Group and Support Group member-countries, we continue backing this peace effort, to be willing to participate in this overall negotiation, and to ensure that it reaches concrete results.

However, we see that this U.S. Government attitude tends to weaken and diminish Contadora's work, and we continue to struggle with all our efforts in political and diplomatic fields to prevent these U.S. plans from taking place, and therefore the Contadora Group is to continue working in this negotiating process.

[Morales] Together with the $110-million package for the counterrevolutionaries, $300 million was also approved for Central American governments. What interpretation does Nicaragua give this?

[Ramirez] This is a clear case of blackmail directed at buying the will of Central American governments against Nicaragua, to cause Central American isolation of Nicaragua. We believe that there is still room for those Central American governments that will benefit from this damn money to reflect on this, that they will reject it, and in this way create a climate for peace. However, the acceptance by these governments of this aid package would tie their will to those who are giving them the money and giving the mercenaries money. All this would make the tense situation in the Central American region more critical and actute.

[Morales] Faced with this U.S. desire for isolation, what steps or initiatives will Nicaragua take to prevent itself from becoming isolated?

[Ramirez] We will continue to work within the framework of the Contadora Group, we shall continue to build up our position at the UN Assembly, in the Security Council, in the Nonaligned Movement. We shall continue to make use of all the relations we have managed to build up with different world communities, the socialist countries community of Eastern Europe, Latin America, and in Central America we shall continue to work on the Contadora negotiations, and we will take part in the Central American parliament project.

[Morales] You are one if those responsible for the country's economic planning. Can one conclude that with that amount of money handed to the counterrevolutionaries the project of wiping them out fairly quickly will take a little longer? How is the national economy affected by the war extension?

[Ramirez] Well, the national economy is suffering a tense process of misadjustments and deterioration as a consequence of the aggression that directly affects the country's capacity to produce and perform normal services. The national economy is not only suffering because of the daily destruction the counterrevolutionaries inflict upon cooperative settlements and other farm installations, but also because of the effect of the war itself on the normal working of the economy. We cannot hope to normalize the economic situation with this war situation and with this additional support the counterrevolutionaries are going to receive from the United States. This would not be possible. We hope we will come out ahead by handling this difficult situation, bringing together popular forces that are fundamental to a popular government, and by making use of moral and political resources in the hands of the people themselves and our organizational capacity. Unitl we reach peace we cannot normalize the economy. So what we have to do is to administer a war economy.

[Morales] On 4 July the expulsion of Bishop Pablo Antonio Vega was announced. What is the government's reason for this action?

[Ramirez] We have warned about this. President Ortega said after the U.S. Congress approved this aid to the counterrevolution that it would be necessary to strengthen the emergency law so as to not give the counterrevolution the possibility of creating a political space, and as a consequence a military and terrorist space within the country. A series of ultrarightist Nicaraguan leaders have started to conspire, linked to the Reagan administration interests, including some bishops, against the Nicaraguan Government's desire to maintain a pluralist space, a mixed economy space within the tense circumstances the aggression creates.

We made this warning. It went unheard. Bishop Vega set himself out on a defamation campaign against the revolution, against the country, justifying the U.S. Government's support of mercenary forces, to disregard the ICJ ruling, to justify all the crimes committed by the counterrevolutionaries in Nicaragua by its methods of terror. This situation became intolerable, and we have a serious responsibility to the people of Nicaragua. The revolutionary path has to be based on the confidence of the people of Nicaragua, and Bishop Vega was trying to undermine this confidence. We therefore made the decision to oust him from the country. In Honduras he can join, if he wishes, the counterrevolutionary forces that attack the country from the Honduran border.

[Morales] What international consequences could this have?

[Ramirez] We know that this is going to be the target of a great debate, that our enemies are going to sharpen their weapons to attack the revolution with high tones. We are prepared for this. We know that the revolution has a firm space in the world, that these actions are being taken precisely as a reply against the constant destabilization efforts on the part of the U.S. Government against Nicaragua. We are confident that these steps will be understood in the long run.

RAMIREZ TO ATTEND BARCO'S INAUGURATION

PA060056 Managua Radio Sandino in Spanish 0000 GMT 6 Aug 86

[Text] Sergio Ramirez will represent our revolutionary government at the presidential inauguration of Colombian Liberal politician Virgilio Barco Vargas. Ramirez, vice president of the Republic, will leave for Bogota tomorrow afternoon, according to sources close to the presidential house, a report from the German agency DPA states.

Ramirez could also participate in a session of the Latin American Parliament in the Colombian capital to institutionalize that continental forum which is expected to gain legal influence to better contribute to the solution of political, social, and economic problems in Latin America.

ASTORGA COMMENTS ON U.S. VETO AT UN COUNCIL

PA050451 Managua BARRICADA in Spanish 2 Aug 86 p 3

[By Xavier Reyes Alba]

[Text] United Nations -- In evaluating the results of a Security Council session convoked at the request of Nicaragua, Nora Astorga, Nicaraguan ambassador to the United Nations, has said that the United States lost "an excellent opportunity to show that it is on the side of international law."

Nora Astorga said: "The U.S. veto was predictable to a certain degree." However, as President Ortega said at the United Nations, "We cannot give up doing something because we think that the outcome will be "x" or "y."

Excerpts of an interview follow:

Question: What are your conclusions about the Security Council meeting?

Astorga: We could say that it was positive. The United States witnessed the world's concern over its aggressive policy against Nicaragua.

They witnessed their support for the court's ruling. The fact that the draft resolution was presented by five nonaligned countries has great political significance in itself. The fact that the draft received 11 favorable votes, 3 abstentions, and 1 veto from the United States, is equally significant from a political standpoint.

Question: Did Nicaragua expect a different outcome from the voting on Thursday?

Astorga: The U.S. veto was predictable to a certain degree. As President Ortega said during his speech, we cannot give up doing something because we think that the result will be "x" or "y." We must try all possibilities and the Security Council is the appropriate organization to stop what the world considers to be a threat to international peace and security.

Question: Ambassador Walters again used false arguments against Nicaragua. What is your opinion about the arguments used by the Reagan representative?

Astorga: They are the same arguments used before. Since 1981, their policy has been to seek justification for an aggression that has no legal, political, or moral justification. They presented the same arguments during the first phase of the trial at the International Court of Justice. The Court listened to them and ruled against them on various grounds. For example, it ruled that even if Nicragua makes internal decisions deemed inappropriate by the United States, that country has no right to intervene.

They ruled that the United States is violating international law by arming and financing the counterrevolution; that the U.S.' "collective self-defense" argument regarding an alleged Nicaraguan intervention in El Salvador, Costa Rica, and Honduras does not justify the use of force. The court ruled that Nicragua's "intervention" in Salvadoran affairs has not been proven.

Question: At times, Walters apparently seemed to have officially said that the United States would not support the court ruling, but the White House has not yet issued a statement in this regard. What is your opinion of this situation?

Astorga: At certain moments, it appeared that there was a U.S. message, but we must not interpret it in that way. If they had planned to respect the court ruling, they would not have vetoed the resolution. They had a historical opportunity. U.S. words do not matter, actions do. Those actions show that the United States attacks Nicaragua, vetoes the resolution, and in turn, the UN Charter.

Question: From a technical viewpoint, what maneuver possibilities did the United States have besides the veto?

Astorga: In the face of the court ruling, they have no other option than to disregard and reject it as evidence of their warmongering attitude and determination to solve their problems by forceful means.

Question: It is said that this debate provided Contadora with oxygen. Is this true?

Astorga: In general, Contadora was supported by all speakers and Security Council members. This must be interpreted as strength gained by Contadora in working to reach a Latin American solution to the Central American conflict.

Question: You said at the council that Nicaragua will continue to seek peaceful solutions. What is the meaning of that in real terms?

Astorga: On the one hand, it means that we will continue to defend our territorial sovereignty and integrity at the domestic and international levels. It also means that we will make all efforts within our reach to find the necessary conditions to achieve peace in Central America.

Problems in the region are not between Central Americans, but with the United States. We will continue to make all efforts at our struggle for the normalization of relations with the United States by using all appropriate international organizations until the United States puts an end to its aggression against the Nicaraguan people.

GOVERNMENT PROTESTS ALLEGED ATTACK ON DIPLOMAT

PA012241 Managua BARRICADA in Spanish 29 Jul 86 p 5

[Letter from Acting Foreign Minister Jose Leon Talavera to Honduran Foreign Minister Carlos Lopez Contreras; dated 28 July]

[Text] Managua, 28 July

Your Excellency, Mr Carlos Lopez Contreras, minister of Foreign Affairs

Tegucigalpa, Honduras

Mr Minister:

On this occasion I am addressing Your Excellency to refer to a most serious incident, about which I will now inform you.

On 27 July, at 2030, members of the Public Security Force (FUSEP) arrested the third secretary of our diplomatic mission in Honduras, Lorenzo Arias Gutierrez, who was in the Kong Chow Restaurant near the National Stadium in Tegucigalpa.

The third secretary of the Nicaraguan Embassy was arrested in spite of the fact that he insistently claimed that he has diplomatic immunity and exhibited diplomatic documents. He also showed them an identification card issued by the Honduran Foreign Relations Secretariat.

The Nicaraguan official was then forced to go to the Belen police station, where he was severely beaten in the face and insulted. As a result of the physical aggression, the diplomat's face still shows evidence of the abuse. Mr Arias was released at 2300 of the same day without being given any kind of explanation and without being returned some of his belongings. He was not allowed to communicate with our embassy while he was being held.

The Government of Nicaragua hereby formally and strongly protests this unprecedented incident that flagrantly violates the Vienna Convention on Diplomatic Relations, which establishes in its Article 29 the following: "A diplomatic agent is inviolable. He cannot be subjected to any form of detention or arrest. The host state will treat him with due respect and adopt adequate measures to prevent all attacks against him, his liberty, and his dignity."

The incident that has been described also represents a most grave violation of the human rights of Mr Lorenzo Arias because his physical and moral integrity were openly assaulted.

This incident occurred in spite of the insistent charges by the Nicaraguan Foreign Ministry in its notes of 16 and 24 July. In those notes the Honduran Government was alerted about a series of situations that made predictable the carrying out of attacks on diplomatic personnel and installations. In those notes Nicaragua urgently requested protection for our embassy and personnel.

That incident has taken place in spite of these formal requests, and of the positive response given by the Honduran Government in its cablegram of 25 July. The attack was carried out by precisely the Honduran authorities responsible for providing the protection that has been requested.

Based on the reasons stated here, the Nicaraguan Government hereby asks the Honduran Government for a full explanation and calls for new guarantees that the Nicaraguan Embassy will be protected as established in the Vienna Convention on Diplomatic Relations, and that the security measures for the embassy will be strengthened to protect the lives and the physical and moral integrity of the personnel.

Nicaragua hopes that this type of regrettable situation that is in violation of international obligations freely acquired by the Honduran Government will not be repeated.

I take advantage of this opportunity to reiterate to Your Excellency my appreciation and consideration.

Jose Leon Talavera, acting foreign minister.

ARGENTINA'S ALFONSIN CRITICIZES U.S. CONTRA AID

PA010411 Managua Radio Sandino in Spanish 0000 GMT 1 Aug 86

[Text] Mexico City (ANN) -- Argentina totally rejects U.S. aid for the Nicaraguan counterrevolution because this policy is contrary to the goal of seeking the establishment of pluralistic democracies on the Latin American continent, Argentine President Raul Alfonsin has said.

During an interview with the Mexican newspaper EXCELSIOR, the Argentine president, who will make an official visit to Mexico in the first days of August, said that the Argentine position on Nicaragua continues to be based on defense of the principles of respect for international law, self-determination, and nonintervention. Alfonsin, who rejected the idea that a Marxist-Leninist government exists in Nicaragua, as the Reagan administration wants people to believe, said that he believes it is improbably -- although theoretically possible -- that there will be a U.S. intervention in Nicaragua because the aid for the contras is evidence of a new position by the United States.

Regarding the Honduran, Salvadoran, and Costa Rican Governments -- allies of the United States in the area -- Alfonsin said that although those governments are the products of clean elections free of fraud, they have been unable to establish a social democracy to overcome the large social differences and the concentration of economic power in some sectors.

Referring to the foreign meddling in the regional conflict, Alfonsin added that Central America is experiencing a process of Lebanization, which he defined as a situation where the flags of every country but the one in question are hoisted. Regarding the efforts of the Contadora Group in the region, Alfonsin admitted that the group is suffering from stagnation compared to the achievements of a few months ago, which he attributed to the hardening of positions of the Central American countries.

The president of Argentina, a member of the Contadora Support Group, together with Brazil, Peru, Uruguay, insisted on the need to continue the mediation efforts in the Central American crisis. Alfonsin expressed his optimism about the results of the political meeting which several Latin American presidents and foreign ministers will hold on 8 August in Colombia, during the time when the new Colombian president is inaugurated.

BRIEFS

SOYBEAN, FISHMEAL SHIPMENTS -- Nicaragua has planned to invest $9,065 [figure as published] in soybean imports this year, thus beginning a 20,000-ton order for this cycle through credit lines with the PRC and Argentina. According to the most recent bulletin issued by the Ministry of Agricultural, Cattle Development, and Agrarian Reform Communications Department on agricultural information, 7,000 tons of fishmeal from Peru have arrived in the country to resolve the problems of balanced food for the various state-run and private poultry farms. [Summary] [Managua EL NUEVO DIARIO in Spanish 31 Jul 86 p 6 PA]

PRC SOYBEAN DONATION -- A new shipment of soybeans from the PRC arrived in Corinto today. The PRC people donated 5,000 tons of soybeans and 1,000 tons of various merchandise to Nicaragua. In addition, these people collected money for 2 years seeking funds to send these important products. The soybeans and the other merchandise were consigned to the External Cooperation Ministry and arrived at the [word indistinct] which is being unloaded by the stevedores here. [Text] [Managua Radio Sandino in Spanish 1750 GMT 2 Aug 86 PA]

MORE DONATIONS RECEIVED -- Today Sweden and the USSR presented valuable donations to Nicaragua. In port of Corinto, Swedish Ambassador Sven Gote Magnusson delivered $2.5 million worth of fertilizers and products for the chemical industry. Jose Angel Buitrago, vice minister of foreign cooperation, received the donation. At the same time the last 23,000 metric tons of a shipment of food donated by the brother people of the USSR were being unloaded in port of Corinto. [Summary] [Managua Radio Sandino in Spanish 0000 GMT 31 Jul 86 PA]

RAUL CASTRO NOTES DEVELOPMENT OF HOLGUIN PROVINCE

FL051329 Havana Television Service in Spanish 0000 GMT 5 Aug 86

[Remarks by Raul Castro, Vice President of the Councils of State and Ministries and FAR Minister, in Holguin on 26 July -- recorded]

[Text] Holguin has been given responsibility for the gigantic Moa project which we have talked about recently. It is the country's nickel development site. We have to consider how underdeveloped it was in all areas -- we are not going to mention factors that we have analysed on other occasions. We still have fresh in our minds the 26 July ceremony held here which practically coincided with the triumph of the Sandinist revolution. Twenty-six Sandinist Front commanders came here at that time. We can recall the information given comparing the past and present -- as is customary in the Moncada anniversary speeches that Fidel delivers, as he did in Sancti Spiritus a few moments ago -- noting the progess made in this province. This was 7 years ago.

There are problems here as in the rest of the country, but I do have to say as someone from Holguin, as a simple person from Holguin and a simple leader of our party, that I am proud -- I believe Fidel feels the same way -- of my Holguin, of all our eastern territory. Remember that when the new political-administrative division was announced Fidel did not say the eastern area had been divided but had multiplied. I have to be proud of the province's leaders at all levels, divisions, and organizations, and especially of my dear Comrade Miguel Cano, who comes from the same province I do.

BRAVO DEPARTS FOR COLOMBIAN INAUGURATION

FL052112 Havana Radio Reloj Network in Spanish 1802 GMT 5 Aug 86

[Text] Central Committee member Flavio Bravo, president of the national assembly of the People's Government (ANPP), has departed for Bogota, Colombia, to attend the inauguration of President-elect Virgilio Barco Vargas. Bravo was accompanied to Havana's Jose Mari International Airport by ANPP Vice President Severo Aguirre del Cristo and other leaders of the Cuban party and state.

U.S. 'ARMS RACE' DENOUNCED AT WORLD CONFERENCE

FL041247 Havana Radio Progreso Network in Spanish 1100 GMT 4 Aug 86

[Text] At the world conference against atomic and hydrogen bombs, Cuba has denounced the continuing U.S. Government arms race to achieve a military supremacy over the Soviet Union. In a speech at the conference, held in Tokyo, Rafael Lopez of the Cuban Movement for the Peace and Sovereignty of Peoples compared the Soviet Union's peace policy iwth the Reagan administration's aggressive attitude against countries and peoples throughout the world.

UN ENVOY SCORES U.S. POLICY ON NICARAGUA

PA032227 Havana International Service in Spanish 2300 GMT 1 Aug 86

[Report by correspondent Rosa Rivero from the United Nations -- recorded]

[Text] Nicaragua has tried to avoid a confrontation with Costa Rica and instead reach a peaceful solution to their disagreements. These efforts, however, have not succeeded, because Costa Rica has failed to take measures to check counterrevolutionaries' activities. This is grounds for the Nicaraguan Government's lawsuit against its southern neighbor, according to the The Hague International Court of Justice. Specific mention has been made of border incidents and armed attacks against Nicaragua, organized by the counterrevolutionaries from Costa Rican territory. These attacks have occurred more frequently and have become harsher since 1982.

Simultaneously, Nicaragua has filed a suit against Honduras. The charges include not only border incidents and armed attacks -- which have also occurred more frequently and become harsher since 1980 -- but they also specifically mention the Honduran Armed Forces' aid to the contras and the fact that the former have directly participated in military attacks against Nicaraguan territory. It has also been argued that the Honduran Government has threatened to resort to the use of force. In both cases, Nicaragua has asked the International Court of Justice to establish the legal responsibility of both Costa Rica and Honduras in violating the most important duties in the United Nations Charter and other multilateral treaties, as well as some duties established by international law. Here is Cuban ambassador Oscar Oramas Oliva speaking to the UN Security Council:

[Begin recording] The Reagan administration's undeclared yet brazen war against N Nicaragua ranges from economic embargo and slander campaigns against the Sandinist directorate to barbarous acts of war such as mining Nicaraguan ports and officially giving $100 million to the contras to murder women, children, and old people and destroy the Nicaraguan people's wealth. This policy can only be termed criminal. President Reagan himself has said it is immoral to impose an embargo on racist South Africa. However, it was Reagan who decreed this unilateral measure against Nicaragua. This president also says that embargoes affect people and not governments. Where is the logic of this argument and the immoral policy applied against Nicaragua and the immoral policy of embargoes that continues to be applied against Cuba? [end recording]

U.S. ROLE IN BOLIVIAN DRUG OPERATION SCORED

PA031927 Havana International Service in Spanish 2300 GMT 1 Aug 86

["Our America" commentary, read by Norberto Hernandez]

[Text] U.S. President Ronald Reagan, unfortunate demagogue on political matters, recently sent a message to his Bolivian colleague, Victor Paz Estenssoro, in which he described as courageous the La Paz government's decision to permit U.S. troops to destroy coca plantations in that high plateau country.

Reagan sought two objectives with the congratulatory message: to show publicly his decision to end drug trafficking, and to set a dangerous precedent in connection with his propaganda show [preceding word in English].

Most observers agree that if the Yankee government is really so interested in ending the U.S. drug problem, which even affects officials, the first step would be to destroy plantations and illegal trade networks which exist in that country and whose chiefs are well known to authorities.

By contrast, this diversionist maneuver tries to place the problem outside the border, even though last year marijuana became the United States number one crop, the value of its harvest surpassing that of corn by $100,000 [figure as heard].

The truth is that Reagan cares little that 60 percent of U.S. youths take drugs. The lucrative business of narcotics is very broad, and quite a few of the mafioso who benefit from this traffic financially back the government's most warlike plans, among which is the open aggression against Nicaragua.

But now 160 Yankee soldiers and 19 helicopters are operating in the Bolivian jungles, while the imperialist media emphasizes with lots of fanfare Washington's firm posture against drugs. The truth is that the U.S. military destroys crops indiscriminately, coca or not, and the chemical substances used have begun damaging unique vegetable species which have not even been studied yet by scientists.

Bolivian farmers are not to blame for the drug traffic. Choked by a brutal economic crisis, numerous farmers started growing coca as a way of subsisting, stimulated by the broad market these products have in the West, especially in the United States.

The Yankee military presence in Bolivia justifiably disturbs other countries in the area. This prescription could be orchestrated or even imposed by Washington in new geographic areas of the continent, and the consequences of such visits are now well known. With U.S. troops arrival comes child prostitution, pornography, the trampling of human and national dignity, drug addiction, and in recent times AIDS. Honduras, with a nest of U.S. bases, has had this bitter experience in the last few years.

This is why such an experience generates rejection inside and outside Bolivian borders and at the same time shows the hypocritical face of the White House's present occupant.

LEADERS DISCUSS COMMONWEALTH SANCTIONS IN LONDON

FL051553 Bridgetown CANA in English 1523 GMT 5 Aug 86

[By Bertram Niles]

[Text] London, Aug 5, CANA -- Six major Commonwelath nations were justified in imposing wide-ranging economic measures against South Africa, Barbardian Dame Nita Barrow said today.

Barrow was a member of the Commonwealth Eminent Persons Group (EPG) which spent six months on a South Africa peace mission that was wrecked by the white-ruled minority government. The EPG said that the absence of effective economic pressure had delayed the dismantling of apartheid in South Africa, adding that concerted action may offer the last chance to avoid a horrendous bloodbath.

Their report released nearly eight weeks ago was discussed over the past two days by seven of the 49 Commonwealth leaders. Six agreed to sweeping sanctions against Pretoria and the seventh -- Britain -- decided to go it alone with lesser measures.

They (the six) were very justified, said Barrow when asked by CANA to comment on the decision.

She said she was pleased by their action and described Britain's stand as negative.

Barrow, sister of Barbados Prime Minister Errol Barrow, said the economic sanctions would send a signal of support to those seeking change in South Africa since they already recoginized the major job would have to be done within the country itself.

In other reaction, Antigua and Barbuda's High Commissioner to London Ron Saunders said the final communique was the best that could be achieved.

The six countries had to proceed in the face of Britain's refusal to go along with them, Saunders said.

What's most important here however is that the Commonwealth has emerged much stronger for it. The Commonwealth is not one country, he said referring to Britain's traditional dominance of the grouping of its former colonies.

The fact that one member is of a different opinion than the other 48 does not mean this will weaken the others.

Britain, he said, would no longer play the central part in the Commonwealth, noting that countries such as Australia, Canada, India and Nigeria were already playing prominent roles.

These views came close to those expressed earlier by Bahamas Prime Minister Sir Lynden Pindling who said Britain had abandoned its leadership of the Commonwealth and new leaders would emerge.

Commonwealth Secretary-General Shridath Ramphal said the decision of the six had been true to the Commonwealth ideals, by choosing credibility over unanimity.

It marks the end of a no-sanctions policy on South Africa, agreed Ramphal, a former foreign minister of Guyana.

Indian Prime Minister Rajiv Ghandi said Britain had lost her role as leader of the Commonwealth by failing to recognize world opinion on the matter of sanctions.

Thatcher, he said, had compromised human dignity by refusing to support her six colleagues.

Zimbabwe Prime Minister Robert Mugabe expressed utter dismay and bitter disappointment at the Thatcher stand saying she had let Africa down. He gave a thinly veiled threat of possible reprisals against London.

Co-chairman of the EPG, former Nigerian head of state Olusegun Obasanjo, said the Commonwealth had been bruised by the experience.

Britain, he added, had given a signal, that it had lost interest in the Commonwealth.

On the domestic front, spokesmen for the opposition Labour Party and Social Democratic/ Liberal Alliance have criticised Thatcher.

Pindling Comments

FL051503 Bridgetown CANA in English 1354 GMT 5 Aug 86

[By Bertram Niles]

[Text] London, Aug 5, CANA -- Bahamas Prime Minister Sir Lynden Pindling predicted today that the United States and Western Europe would join six Commonwealth nations which announced sweeping economic sanctions against South Africa.

Pindling chaired the mini-summit of seven of the 49 Commonwealth nations which ended late last night without unanimous agreement when Britain's Prime Minister Margaret Thatcher refused to agree to hard-hitting measures against Pretoria.

I think the U.S. Congress will affirm the position taken by the (six) Commonwealth (members) to a very large degree (and) the President (Reagan) is going to sign something on the order of sanctions...

Then I think Europe is going to pay some attention to that and Mrs Thatcher, I am afraid, will find that she is out of step with everybody else, Pindling said.

He said that Britain, by its decision not to join the Bahamas, India, Australia, Canada, Zimbabwe and Zambia had sided with South Africa's white minority government and abandoned its leadership role in the Commonwealth.

There was now a question mark over Britain's standing with its 49 former colonies in the grouping.

I don't think it will ever be quite the same again. I think a new leadership is emerging in the Commonwealth.

New spokesmen will carry the Commonwealth ball wherever that ball has to run and that is the way I think it is going to run from here on in, Pindling said.

At a midnight press conference after the mini-summit had ended a day early, the Bahamas prime minister had announced that the six would immediately implement the eight punitive measures listed in the Commonwealth Nassau Accord last October.

These included a ban on air links and on the imports of agricultural products from South Africa.

There were also three additional measures -- a ban on all new bank loans to South Africa and on the import of uranium, ocal, iron and steel and the withdrawal of consular facilities except in certain circumstances.

The communique expressed concern and regret at Britain's stand saying substantial sanctions were a moral and political imperative, to push South Africa toward abandoning its apartheid policies.

But Thatcher, speaking in the early hours of today, said she remained steadfast in her belief that sanctions would not achieve that objective and would be counter-productive.

She had reluctantly agreed to limited sanctions to express commitment to the Commonwealth.

Britain said it would place voluntary bans on new investment and promotion of tourism to South Africa and to accept any European Community action on imports of iron, coal and steel. But British commentators and newspapers dismissed these measures as token, saying they would make little impact on the South African economy.

Britain's agreement for fuller sanctions was vital for Commonwealth action to be effective because of its extensive trading links with South Africa.

For this reason, the communique, said it would immediately embark on intensive consultations with the international community to try to secure concerted international action.

Pindling acknowledged that there was no guarantee that sanctions would work but said they were needed to hit the white South African in his pocket where it hurts most and set him thinking.

Without them, he said, the alternative could be civil war as South Africa had previously turned down logic, reason and persuasion by friends.

Seaga on Congress' Efforts

FL052126 Bridgetown CANA in English 1955 GMT 5 Aug 86

[Excerpts] Kingston, Jamaica, Aug 5, CANA -- Jamaica's Prime Minister Edward Seaga, expressing disappointment at Britain's refusal to join its Commonwealth partners in imposing stiff economic sanctions against South Africa, today said he hoped that the U.S. Congress will now provide the impetus for firm action against Pretoria's white minority government.

The lack of significant sanctions by Britain will undoubtedly be felt in the effort to bring pressure on the South Africa regime, Seaga told CANA today.

We now wait to see what happens in the U.S. Congress to see if that will set a pace and tone for other nations to follow. [passage omitted]

We hope that there will be in the U.S. Congress the sort of proposals and actions that will send the signal (to South Africa) and a direction for other countries, Seaga said.

JAMAICA

SEAGA DENIES RUMORS OF HIS RESIGNATION

FL052230 Bridgetown CANA in English 2215 GMT 5 Aug 86

[Text] Kingston, Jamaica, Aug 5 CANA -- Jamaica's Prime Minister Edward Seaga today described as absolute nonsense that he had offered Cabinet colleagues his resignation in the wake of his party's defeat in municipal elections a week ago.

The opposition Peoples National Party (PNP) had campaigned on the grounds that the elections would be a vote of confidence in the Seaga government.

The PNP, which is pressing for early general elections, received an estimated 57 percent of the popular vote, against 43 percent for the ruling Jamaica Labour Party (JLP) and will control about 11 of the 13 municipal authorities.

In conceding defeat Seaga said the party would have to analyze the results, its policies and leadership and there have been rumours here that he offered his resignation to Cabinet members.

That is absolute nonense, I have not even had a Cabinet meeting as yet, the Prime Minister remarked to CANA just before going into such a session.

Cabinet meetings are usually on Mondays, but yesterday's was postponed because of independence holidays here.

JLP sources said there had been very preliminary analyses of the election, but a thorough assessment would have to wait until final returns were ready and a breakdown of the voting patterns was available.

CANADIAN FOREIGN MINISTER PAYS 3-DAY VISIT

FL051513 Bonaire Trans World Radio in English 1130 GMT 5 Aug 86

[Text] Canadian Minister of External Relations Monique Vezina held talks with Jamaican officials and visited several projects funded by her government yesterday. The minister's 3-day visit, which began Sunday, coincided with Jamaica's 24th independence anniversary from Britain.